



# European Free Trade Association Annual Report 2023



63<sup>rd</sup> Annual Report of the European Free Trade Association  
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EFTA Secretary-General  
Siri Veseth Meling

“ Looking ahead, I am confident that EFTA will continue to ensure competitiveness and growth for our Member States and continue to be a leading example of successful international cooperation. ”

# Foreword

2023 proved to be a year of opportunities and high activity for EFTA. We made concrete and important advances in a wide variety of areas spanning third-country activities and the management of the EEA Agreement.

EFTA conducted seventeen full free trade negotiation rounds with five different partners throughout the year. In June, a broad-based free trade agreement with Moldova was signed, a little more than two years after having launched negotiations. High-level contacts and a period of intense negotiations in the second half of 2023 and the beginning of 2024 paved the way for the signing of a free trade agreement with India in early 2024. Steady advancements through 2023 in the modernisation process for the free trade agreement with Chile also made it possible to conclude this agreement in early 2024. In addition, solid progress was achieved in other free trade negotiation processes, including with Thailand and Malaysia, and negotiations to modernise the free trade agreement with Ukraine were launched in July.

Negotiations on a digital economy agreement with Singapore commenced in February, strengthening an already robust partnership underpinned by the free trade agreement in force since 2003. This is a new approach for EFTA, and will strengthen trade by electronic means as well as addressing emerging digital areas such as financial technology, artificial intelligence and cybersecurity. EFTA's trade monitoring activities, analysing the utilisation of our free trade agreements, also continued throughout the year. Two countries, the Philippines and Türkiye, took part in EFTA's trade and sustainable development monitoring exercise for the first time. Furthermore, the

first analysis of trade between the EFTA States was published in 2023. These analyses are important tools for identifying potential areas of improvement in the utilisation of the relevant agreements.

The EEA Agreement is the cornerstone of the EEA EFTA States' relationship with the European Union. Over 30 years, the 30 EEA States have in this unique partnership built the world's largest internal market, to the benefit of its businesses and citizens. As the EU responds to a new geopolitical context by strengthening the region's competitiveness and resilience, preserving the unity and level playing field of the Internal Market is particularly important to avoid fragmentation within the European Economic Area. In 2023, a total of 624 legal acts were incorporated into the EEA Agreement. Throughout the year, the EEA EFTA States also continued to work closely with the EU on a wide variety of issues, including the green and digital transitions, which are key components in the future development of the Internal Market. The 30th anniversary of the EEA Agreement in 2024 provides an excellent opportunity to celebrate this unique agreement, its achievements, and the shared commitment to continued cooperation.

As part of continuous efforts to participate in shaping EU policies, the EEA EFTA States issued seven joint policy papers, EEA EFTA Comments, including on high-profile issues such as the Net Zero Industry Act, the Critical Raw Materials Act and the establishment of a Single Market Emergency Instrument. Throughout the year, EFTA also hosted several high-level events and gave numerous presentations to promote knowledge and understanding of the EEA Agreement. We

attach particular importance to these activities, as knowledge of the EEA is essential for the Agreement's effective operation.

At the end of the year, EFTA's Secretary-General, Henri Gétaz, stepped down from his position after five and a half successful years at the helm. I thank him for the good cooperation, and for his commitment and strong leadership during a period marked by many challenges, not least the global COVID-19 pandemic.

In times like these, characterised by economic uncertainty and geopolitical tensions, and where fundamental values are coming increasingly under pressure, international cooperation is more important than ever. EFTA's mission to promote free trade and economic cooperation, and in this way to contribute to generating sustainable prosperity and peace, remains highly relevant. With the continued support of our Member States and the dedicated work of the Secretariat staff, EFTA is well positioned to navigate the shifting global economic and geopolitical order. I would like to extend my sincere appreciation to our Member States for the continued excellent cooperation that we have enjoyed over the last year, and to our staff for their professionalism and enthusiasm. Looking ahead, I am confident that EFTA will continue to ensure competitiveness and growth for our Member States and continue to be a leading example of successful international cooperation. Global challenges are best tackled together.

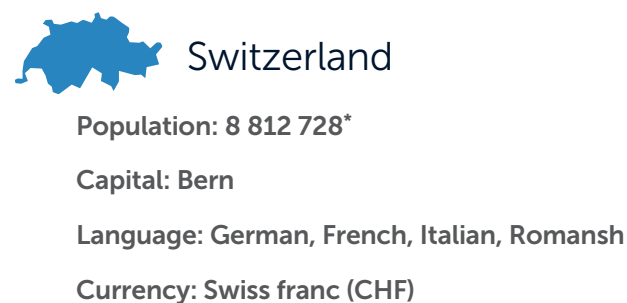
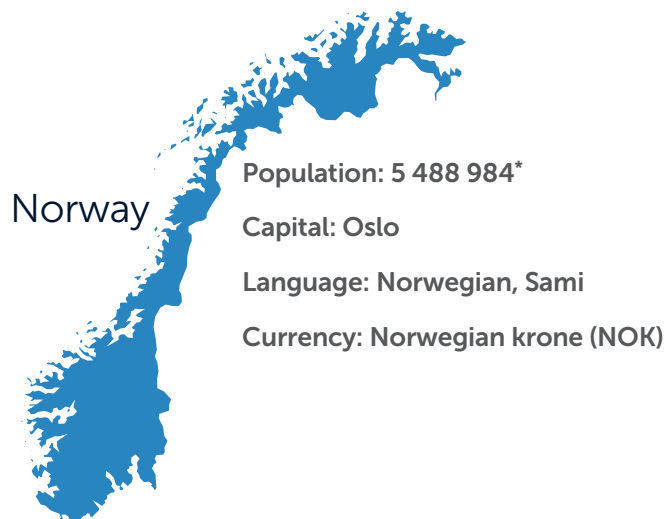
Siri Veseth Meling

# About EFTA

The European Free Trade Association (EFTA) is the intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland, set up for the promotion of free trade and economic cooperation between its members, within Europe and globally.

The Association is responsible for the management of:

- > The EFTA Convention, which regulates economic relations between the four EFTA States
- > The Agreement on the European Economic Area (EEA Agreement), which brings together the Member States of the European Union and three of the EFTA States – Iceland, Liechtenstein and Norway – into one Single Market, also referred to as the Internal Market
- > EFTA's worldwide network of free trade and partnership agreements



\* Population size on 1 January 2023



## The EFTA Council

Henri Gétaz, EFTA Secretary-General; Thórdís Kolbrún Reykfjörð Gylfadóttir, Minister for Foreign Affairs of Iceland; Dominique Hasler, Chair, Minister of Foreign Affairs of Liechtenstein; Halvard Ingebrigtsen, State Secretary of Trade and Industry of Norway; and Guy Parmelin, Federal Councillor and Head of the Federal Department of Economic Affairs, Education and Research of Switzerland.

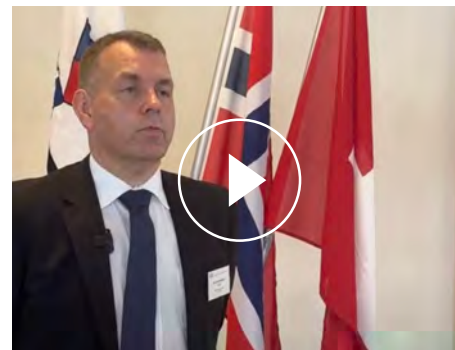
The EFTA Council – the highest governing body of EFTA – met seven times at Ambassadorial level (heads of permanent missions to EFTA in Geneva) in 2023 and once at Ministerial level. During these meetings, the Council discussed substantive matters relating to the development of EFTA relations with third countries, technical cooperation and the management of free trade agreements (FTAs). The Council also manages relations between the EFTA States under the EFTA Convention and adopts decisions to reflect legislative developments in the EEA Agreement and in the Switzerland–EU bilateral agreements.



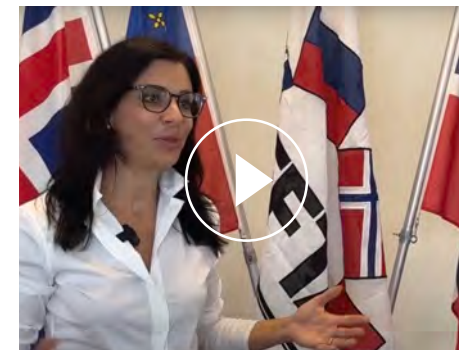
Guy Parmelin, Federal Councillor and Head of the Federal Department of Economic Affairs, Education and Research of Switzerland, on the achievements of the 2023 Ministerial meeting.



Thórdís Kolbrún Reykfjörð Gylfadóttir, Minister for Foreign Affairs of Iceland, on the value of signing a free trade agreement with Moldova.



Halvard Ingebrigtsen, State Secretary of Trade and Industry of Norway, on launching a modernisation process with Ukraine.



Dominique Hasler, Minister of Foreign Affairs of Liechtenstein and Ministerial Chair of the EFTA Council, on hosting the 2023 Ministerial meeting.

The EFTA Council has a broad mandate to take measures to achieve the overall objectives of the Association. Its members adopt the annual EFTA budget and administrative measures linked to the running of the Association and the EFTA Secretariat. Each Member State is represented, and decisions are taken by consensus. The EFTA Council Chair rotates between the members, and discussions in the Council are guided by the priorities of the Chair. For the first six months of 2023 this role was held by Liechtenstein, followed by Switzerland in the second half of the year. Their respective **priorities** can be found on the EFTA website.

## EFTA Ministerial Meeting

The annual EFTA Ministerial meeting was held in Schaan, Liechtenstein, on 27 June. The meeting saw the attendance of the Prime Minister of the Republic of Moldova, Mr Dorin Recean, accompanied by the Minister of Economic Development and Digitalisation, Mr Dumitru Alaiba, to sign an FTA with EFTA, which notably contained the first ever chapter on e-commerce in an EFTA free trade agreement.

The Council met with the Minister-in-charge of Trade Relations of Singapore, Mr S. Iswaran, to take stock of ongoing negotiations on a digital economy agreement, and held an online meeting with the Minister of Commerce and Industry of India, Mr Piyush Goyal, on EFTA–India negotiations. Ministers also discussed the status of negotiations with Chile, Kosovo, Malaysia and Vietnam.



Moldova's Prime Minister, Dorin Recean, on the significance of Moldova and the four EFTA States signing a free trade agreement.



Moldova's Minister of Economic Development and Digitalisation, Dumitru Alaiba, on the economic benefits and opportunities of the EFTA–Moldova Free Trade Agreement.



Einar Gunnarsson, Ambassador of Iceland, Helga Helland, Deputy Permanent Representative of Norway, and Petter Ølberg, Ambassador of Norway, at the EFTA Council meeting in May.

EFTA Ministers emphasised the importance of enforcing the strengthened chapter on trade and sustainable development (TSD) in its existing FTAs, and were pleased with the functioning of the mechanism to monitor compliance with the commitments under that chapter.

Ministers also expressed their appreciation for the ongoing efforts in assessing FTA preference utilisation rates, which provide valuable insights into the real use by businesses of EFTA agreements. For more information on the second comprehensive report on preference utilisation, see [page 13](#).

## Communiqué

## Conclusions on EFTA External and Internal Relations

## Conclusions on Standing Committee Activities

Finally, EFTA Ministers welcomed the establishment of an EFTA model chapter on small and medium-sized enterprises to be included in EFTA FTAs. Consultations on this chapter have since been concluded with the EFTA advisory bodies.

## Meeting between EFTA Ministers and EFTA Advisory Bodies

On the same day as the annual Ministerial meeting, EFTA Ministers also met with the EFTA Parliamentary Committee and the EFTA Consultative Committee. The parliamentarians from the four EFTA States, together with representatives of trade unions and employers' organisations, discussed green industrial policy and the state of play of EFTA's third-country relations. see [page 39](#) for further details.

## Annual Meeting of EFTA and EU Finance Ministers

The annual meeting of EFTA and EU Ministers of Finance and Economy (EFTA ECOFIN) took place on 9 November in Brussels, chaired by Ms Nadia María Calviño Santamaría, First Deputy Prime Minister of Spain, representing the Spanish Presidency of the Council of the EU.

In the discussion on "Reflections on the new industrial policy approaches" the European Commissioner for Economy, Mr Paolo Gentiloni, presented the Commission's position on the topic and summarised the status of the EU economy. He emphasised that the EU and the EFTA States shared common ground and had a common interest in decarbonisation and greening up their respective industries, while preserving the advantages of an open economy and the global rules-based trading system.



Per Olaf Lundteigen, Member of the Norwegian Parliament, Trine Lise Sundnes, Chair, Member of the Norwegian Parliament, and Benedikt Würth, Member of the Swiss Parliament, during the meeting of the EFTA Parliamentary Committee, EFTA Consultative Committee and EFTA Ministerial Chair in November.

The 2023 Chair of the EFTA Economic Committee, State Secretary for Economic Affairs for Switzerland Ms Helene Budliger Artieda, presented the common EFTA paper and shared Switzerland's experience of recent foreign industrial policy programmes. Interventions then followed from the Minister of Finance and Economic Affairs for Iceland, Ms Þórdís Kolbrún Reykþjörð Gylfadóttir; Secretary-General of the Liechtenstein Ministry of General Government Affairs and Finance, Mr Simon Biedermann; and Norway's Minister of Finance, Mr Trygve Slagsvold Vedum.



Annual meeting of EFTA and EU Finance Ministers.



# Free Trade Relations

EFTA has an extensive worldwide network of free trade relations. Its third-country policy aims to safeguard the economic interests of its Member States, support and reinforce European and interregional integration, and contribute to global efforts to liberalise trade and investment.



## EFTA's Worldwide Network (Status on 31 December 2023)\*

Free Trade Agreements  
(FTA) in force

[More info](#)

Ongoing FTA  
negotiations

[More info](#)

FTA negotiations  
suspended or on hold

[More info](#)

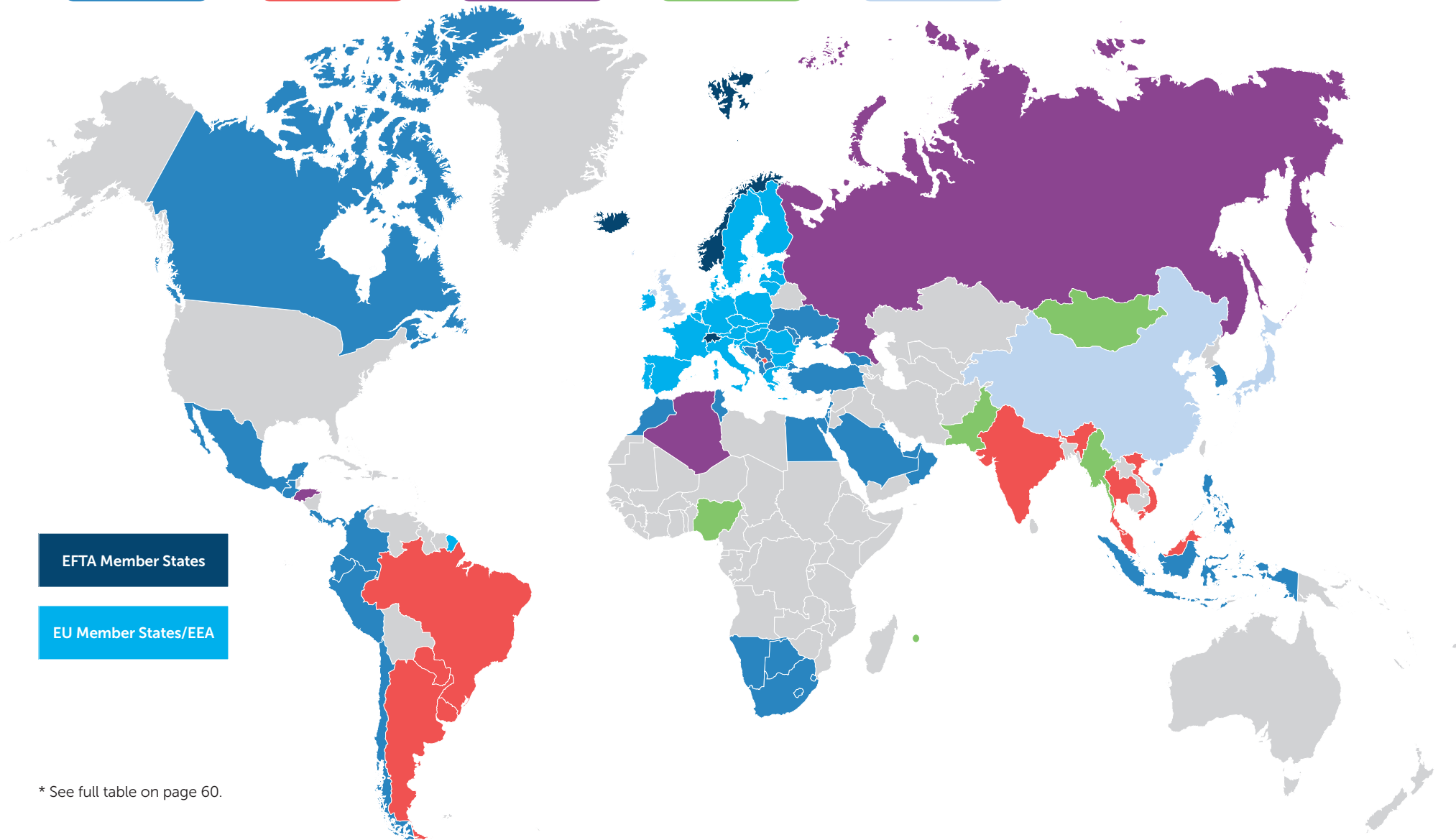
Joint Declarations on  
Cooperation

[More info](#)

FTA relations of  
individual EFTA States

[More info](#)

[Interactive Map](#)



EFTA Member States

EU Member States/EEA

\* See full table on page 60.

## 2023 MEETINGS

### 292 meetings

- 82 meetings with partners
- 171 EFTA internal meetings
- 39 heads or high-level meetings with partners (Chile, India, Malaysia, Mercosur, Moldova, Singapore, Thailand, Ukraine and Vietnam)

### 17 negotiation rounds with five different partners

- Chile
- India
- Malaysia
- Singapore
- Thailand

### Joint Committee meetings

- Philippines: one Subcommittee and one Joint Committee meeting
- Türkiye: one Subcommittee and one Joint Committee meeting
- Gulf Cooperation Council: one Subcommittee meeting

## Ongoing Negotiations

### India

The EFTA States maintained regular high-level contacts with India throughout 2023, including the virtual participation of Mr Shri Piyush Goyal, Minister of Commerce and Industry of India, at the



Helene Budliger Artieda, Swiss State Secretary; Shri Piyush Goyal, Minister of Commerce of India; and Jan Christian Vestre, Minister of Trade and Industry of Norway.

EFTA Ministerial in June. These political meetings facilitated efforts to resume negotiations, with two full rounds of negotiations and numerous virtual intersessional meetings. On 12 and 13 December, high-level delegations from EFTA and India met in New Delhi to settle on common priorities and pave the way for the conclusive stages of negotiations on a trade and economic partnership agreement.

### Kosovo

The EFTA States signed a joint declaration on cooperation with Kosovo in 2018 and launched free trade negotiations in June 2022. That same year, two rounds of negotiations were held in Geneva and Pristina, respectively. No rounds took place in 2023, pending a decision on Kosovo's request to include services in the negotiations. The EFTA States are now looking forward to advancing trade talks with Kosovo in 2024, including on services.

### Malaysia

The EFTA States and Malaysia launched negotiations towards a free trade agreement in 2014. After intersessional contacts at expert level throughout 2023, they held a constructive 14th round of

negotiations in Geneva in December, allowing substantial progress to be made. The next round of negotiations is planned for the first half of 2024.

### Mercosur

The EFTA States continued contacts with the Mercosur countries at all levels to advance on the remaining issues, following the conclusion of free trade negotiations in principle in 2019. The EFTA and Mercosur Heads of Delegation met virtually on 1 September 2023 to take stock and discuss the way forward. A meeting to conclude on the outstanding issues is envisaged for the first half of 2024.

### Moldova

On 27 June 2023, the EFTA States and Moldova signed a free trade agreement on the occasion of the EFTA Ministerial meeting in Liechtenstein. The agreement reflects the exponential growth of trade between the Parties (21.9% annually over the past five years) and advances EFTA's traditional trade interests, while including new areas such as e-commerce and EFTA's updated TSD chapter. Internal procedures are underway to ratify the FTA.

## Thailand

Following the launch of negotiations in June 2022, EFTA and Thailand held seven rounds of negotiations between 2022 and 2023 covering all areas, including e-commerce. For the first time, EFTA tabled a proposal for a dedicated chapter on small and medium-sized enterprises based on its new model text. Negotiations are progressing well and both sides are striving to maintain this pace, with the aim of concluding negotiations by mid-2024.

## Vietnam

EFTA and Vietnam held a high-level meeting in Geneva in May 2023, followed by a videoconference between head negotiators in June. These meetings provided a good exchange, with both sides reconfirming their ambition to negotiate a broad-based FTA. Following further expert meetings in key areas, both sides expressed their readiness to meet at the beginning of 2024 to obtain further clarity on the way forward.

## Management and Modernisation of FTAs

### Chile

A negotiation process to modernise EFTA's FTA with Chile was launched in 2019. The fifth round of negotiations took place in March 2023 in Santiago and the sixth round in August in Geneva. Progress in all working groups was steady, and both sides agreed after further intersessional meetings to hold a final seventh round in January 2024 in Santiago.

### Ecuador

EFTA held its first Joint Committee meeting with Ecuador in December 2021, allowing EFTA to apply its reinforced monitoring mechanism on trade and sustainable development. The next Joint Committee meeting is envisaged for 2024, which will provide an opportunity for further engagement on TSD and other matters under the FTA.



EFTA and Chile Heads of Delegation.

### Gulf Cooperation Council

Implementation issues have persisted with the Gulf Cooperation Council (GCC) for some time. Following the September 2022 Joint Committee meeting, the FTA was finally notified to the WTO Committee on Regional Trade Agreements in October 2022. Subcommittee meetings were subsequently held on 22 November 2022 and 22 March 2023, with a focus on resolving the pending implementation issues. EFTA's endeavours will continue in this regard.

### Indonesia

The Comprehensive Economic Partnership Agreement between the EFTA States and Indonesia entered into force in November 2021. Successful first Subcommittee and Joint Committee meetings took place in Jakarta in December 2022, where the Parties discussed implementation of the agreement, in particular regarding the TSD chapter and preference utilisation. For the first time, EFTA also held a Subcommittee on Cooperation and Capacity Building to discuss technical cooperation projects. Under this framework, a seminar on government procurement was held in November 2023 and a number of projects are in the pipeline.

## Palestine

EFTA and Palestine discussed agricultural updates to their agreement in spring 2023. Internal work is ongoing in Palestine to clarify customs enforcement and procedures before meeting with EFTA. The ambition is to finalise the process rapidly to ensure parity with the agreement concluded with Israel in 2021.

## Philippines

Following the entry into force of the EFTA–Philippines FTA in January 2020, the first meeting of the Subcommittee and Joint Committee under the agreement was held in Geneva in January 2023. The Parties discussed the monitoring of the TSD chapter, including the implementation and ratification of international labour conventions, as well as the Philippines' domestic policies on freedom of association, child labour and climate change.



Frank Büchel, EFTA Deputy Secretary-General; Angelo Salvador M. Benedictos, Director of the Philippines Bureau of International Trade Relations; Karin Büchel, Head of Free Trade Agreements/ EFTA Division at the Swiss State Secretariat for Economic Affairs SECO; Patrick Ritter, Minister-Counsellor, Deputy Permanent Representative, Permanent Mission of Liechtenstein in Geneva; Sveinn K. Einarsson, Counsellor, Permanent Mission of Iceland in Geneva; and Henrik Weisser, Senior Adviser, Norwegian Ministry of Trade, Industry and Fisheries.

## Singapore

The FTA between the EFTA States and Singapore entered into force in January 2003. To acknowledge the growing importance of digital trade, to deepen bilateral relations and cooperation and to enhance the integration of the Parties' economies, negotiations on a digital economy agreement (DEA) were launched at Ministerial level on 16 February 2023 and taken stock of on the margins of the EFTA Ministerial in June. Since then, six negotiation rounds have been held and steady progress has been made. Both sides are striving for the rapid conclusion of the DEA, which would be EFTA's first focused digital economy agreement going beyond its standard e-commerce chapter.



EFTA Secretary-General and Ministers with S. Iswaran, Minister-in-charge of Trade Relations of Singapore.

## Türkiye

The first Subcommittee and Joint Committee meeting under the modernised and expanded FTA with Türkiye was held online in August 2023. EFTA and Türkiye acknowledged that the agreement was functioning well, and discussed issues pertaining to the implementation of the services chapter and its annexes, preference utilisation, and implementation of the commitments in the TSD chapter. Both sides agreed on follow-ups in these areas.

## Ukraine

During the EFTA Ministerial meeting on 27 June 2023, EFTA and Ukrainian Ministers announced the start of their negotiations towards a modernisation of the 2012 EFTA–Ukraine FTA, based on agreed terms of reference. On this basis, EFTA shared a comprehensive set of text proposals with Ukraine for all areas under review. A high-level meeting between EFTA and Ukraine took place on 25 October in Geneva, where the Parties discussed the next steps and timing of the first round – tentatively scheduled for the first semester of 2024.

## Other contacts

### Association of Southeast Asian Nations

Discussions on a joint declaration on cooperation with the Association of Southeast Asian Nations (ASEAN) were launched in 2021. A meeting between EFTA and ASEAN took place in Jakarta on the fringes of the first Subcommittee and Joint Committee meetings with Indonesia in December 2022, followed by written exchanges throughout 2023. Both sides are close to finding a mutually acceptable solution for the pending substantive issues.

### United States

On 14 December 2023, EFTA and the United States held their ninth trade policy dialogue in Washington DC. The delegations reconfirmed the value attached to the dialogue as a forum for information exchange, which had surpassed its initial focus on the EU–US Transatlantic Trade and Investment Partnership negotiations and expanded in scope. In addition – and constituting a key deliverable for 2023 – delegations indicated priority areas to deepen their engagement.



EFTA and US delegates at the ninth Trade Policy Dialogue in Washington DC in December.

## Horizontal work

### Sustainable development

The improved mechanism to systematically monitor commitments on sustainable development agreed with FTA partners was developed in collaboration with the EFTA advisory bodies, and has been put into effect in Joint Committee meetings with several partners: Ecuador in 2021, Georgia and Indonesia in 2022, and most recently the Philippines on 10 January 2023 and Türkiye on 29 August 2023. Follow-up exchanges have also taken place with Indonesia and Türkiye. A Joint Committee meeting is planned with Ecuador in 2024, which will be the first time that EFTA conducts a second monitoring exercise with a free trade partner. EFTA has also launched a sustainability impact assessment in the framework of its negotiations with Thailand. The final report by an independent consultant is expected early in 2024.

### Preference utilisation monitoring

The EFTA Working Group on Preference Utilisation Rates continued to monitor and analyse the effective use of EFTA's FTAs in 2023. In view of the annual update of the EFTA FTA Monitor, the Secretariat started the year's data exchange with third-country partners, which continued throughout the year. In addition to those who had already exchanged data for previous editions, the Working Group reached out to other partners in December by presenting the project and its outcomes to delegates in Geneva.

The Working Group also decided to publish an additional report monitoring the preference utilisation of intra-EFTA trade under the EFTA Convention and the EEA Agreement. The main findings of this report were discussed by Member States at the 2023 Ministerial meeting and published on the EFTA website. Member States are considering expanding the data exchange to cover trade with the UK and the EU from 2024.

### Small and medium-sized enterprises

In August 2022, the EFTA States created a Working Group on Small and Medium Enterprises (SMEs) with the mandate to draft a model chapter on SMEs. The Working Group met five times and submitted its proposal to the EFTA Consultative and Parliamentary Committees (the advisory bodies) for consultation on 30 May 2023. The advisory bodies also received a briefing by the EFTA Secretariat on the model chapter at the EFTA Ministerial on 27 June. Following feedback from the advisory bodies, the SME model chapter was finalised.

### Pan-Euro-Mediterranean Convention

Numerous contacts took place between EFTA and its partners in the Mediterranean region in 2023 to establish a dynamic link to the pan-Euro-Mediterranean (PEM) Convention and to provide for the alternative use of the transitional rules of origin, pending the entry into force of the updated Convention. EFTA aims to implement these transitional rules with all of its PEM partners. Corresponding amendments to the FTA with Georgia entered into force on 1 December 2023, while amendments to the FTA with Palestine adopted in March 2023 are undergoing ratification. Amendments to the agreements with Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia have all entered into force. In the case of Moldova, the rules will come into force at the same time as the FTA signed in June 2023. This will also be the case for Kosovo, where negotiations are underway. On 29 November 2023, during its 15th meeting, the PEM Joint Committee unanimously adopted the new rules of origin under the PEM Convention.



## FTA Monitor

The FTA Monitor provides information on duty-free trade flows, achieved versus non-achieved tariff savings, and the scope for improving the use of any specific FTA at individual product level. It also allows the comparison of preference utilisation rates over time, as well as across trading partners and product groups.

The new EFTA-internal FTA Monitor details the use of tariff preferences between the EFTA States.

Further information on the FTA Monitor can be found on the [EFTA website](#).



# The EEA Agreement

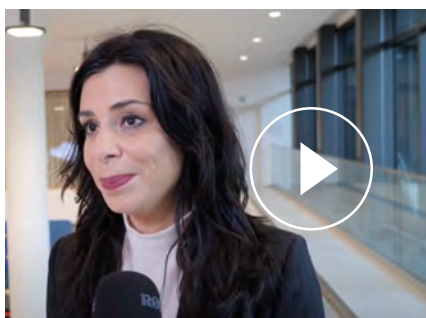
The Agreement on the European Economic Area, which entered into force on 1 January 1994, brings together the EU Member States and the three EEA EFTA States – Iceland, Liechtenstein and Norway – into one Single Market, also referred to as the Internal Market.

## The EEA Council

The EEA Council met twice at Ministerial level in 2023, providing political impetus for the development of the EEA Agreement. The EEA Council meeting on 24 May was chaired by the Swedish Presidency of the Council of the EU and co-chaired by Norway as EFTA Standing Committee Chair, while the 20 November EEA Council at EFTA House was chaired by Liechtenstein and co-chaired by the Spanish Presidency of the Council of the EU. Both sides underlined their continued close cooperation under the EEA Agreement.

The main topics covered by the EEA Council in 2023 were:

- > The overall functioning of the EEA Agreement
- > Competitiveness and resilience of the Internal Market
- > The incorporation of EU legal acts into the EEA Agreement



Dominique Hasler, Minister of Foreign Affairs of Liechtenstein and Chair of the EEA Council, on the most pressing issues for EEA cooperation from Liechtenstein's perspective.



Maroš Šefčovič, Executive Vice President of the European Commission, on the value of the EU's relationship with the EEA EFTA States.



Espen Barth Eide, Minister of Foreign Affairs of Norway, on the value of having a dialogue between the EU and EFTA at Ministerial level.

The EEA Council held orientation debates on building long-term competitiveness in the Internal Market in the face of global challenges (May) and on economic security (November). In the informal political dialogues held on the margins of the Council, Ministers discussed relations with China, responses to Russia's illegal war of aggression on Ukraine, and the situation in the Middle East.

Learn more about the second EEA Council meeting held at EFTA House



Bjarni Benediktsson, Minister for Foreign Affairs of Iceland, on the most important focus areas for the EEA in the future, in light of the 30th anniversary of the EEA Agreement.



Bjarni Benediktsson, Minister for Foreign Affairs of Iceland; Espen Barth Eide, Minister of Foreign Affairs of Norway; Dominique Hasler, Minister of Foreign Affairs of Liechtenstein; Pascual Ignacio Navarro Ríos, Secretary of State for European Affairs of Spain; and Maroš Šefčovič, Executive Vice President of the European Commission.

## The EEA Joint Committee

The EEA Joint Committee is the main decision-making body of the EEA Agreement, consisting of the Ambassadors of the EEA EFTA States to the EU and representatives of the Secretariat-General of the European Commission. It is a forum in which views are exchanged and decisions are taken by consensus to incorporate EU legislation into the EEA Agreement.

The EEA Joint Committee met eight times in 2023, adopting 339 Joint Committee Decisions (JCDs) incorporating 624 legal acts into the EEA Agreement. Several JCDs were also adopted through written procedure.

Discussions in the EEA Joint Committee focused on how to reduce the number of legal acts awaiting incorporation into the EEA Agreement, and issues related to the green and digital transition. Several important JCDs were adopted in 2023 concerning a wide range of policy areas such as financial services, food chain, transport, energy and environment.



Kaja Moe Winther, Counsellor at the Mission of Norway to the EU; Rolf Einar Fife, Ambassador of Norway to the EU; and Henri Gétaz, EFTA Secretary-General.



Pascal Schafhauser, Ambassador of Liechtenstein to the EU; Henri Gétaz, EFTA Secretary-General; and Andri Lúthersson, EFTA Deputy Secretary-General.

In June, the EEA EFTA States submitted an action plan to the EU consisting of acts outstanding with a compliance date from before 2019. This produced measurable results, as by the last Joint Committee meeting on 8 December over a third of the acts from the action plan had been incorporated.



Centre: Liechtenstein's Ambassador to the EU, Pascal Schafhauser, co-chairing the EEA Joint Committee on behalf of the EEA EFTA States in April.



Centre: Nicolas von Lingen, Head of Unit, Secretariat-General, European Commission, chairing the EEA Joint Committee on behalf of the EU in December.

The EEA Joint Committee is also a forum for exchange on issues of common interest. In 2023, the Committee received briefings on the EU's temporary crisis and transition framework, and the European Commission's work programme for 2024.

## The Standing Committee of the EFTA States

The Standing Committee of the EFTA States serves as a forum in which the EEA EFTA States consult one another and arrive at a common position before meeting with the EU in the EEA Joint Committee. It consists of the Ambassadors to the EU of Iceland, Liechtenstein and Norway. Switzerland and the EFTA Surveillance Authority participate as observers.

Priorities of the Standing Committee in 2023 were:

- > Ensuring the swift incorporation of EU legal acts into the EEA Agreement and reducing the backlog, with a particular focus on older acts
- > Continuing the decision-shaping efforts of the EEA EFTA States, including through EEA EFTA Comments on relevant policy areas such as the green deal and the digital agenda
- > Developing effective working structures for incoming EU legal acts with distinct horizontal dimensions
- > Strengthening knowledge of the EEA Agreement and the fact that the EEA EFTA States are an integral part of the Internal Market, and asking the EU to also take this into account in its trade policy
- > Advancing negotiations with the European Commission on a new Financial Mechanism, and on market access for fish and marine products





Sesselja Sigurðardóttir, Deputy Head of Mission, and Kristján Andri Stefánsson, Ambassador of Iceland to the EU, at the EFTA Standing Committee in June.

The agendas and conclusions of the **Standing Committee meetings** are available on the EFTA website. The **work programmes** of the Norwegian and Liechtenstein Chairs of the Standing Committee for the first and second half of 2023 respectively can be found in the appendices to this report.

## The Financial Mechanism

On 30 November, the EEA EFTA States and the European Commission reached an agreement on the next period of the EEA and Norway Grants, and on market access for fish and marine products for Iceland and Norway. The agreement foresees that the EEA EFTA States will contribute a total of EUR 3.2 billion to social and economic cohesion in 15 beneficiary states for the period 2021–2028. This represents an increase compared with the previous period, which amounted to a total of EUR 2.8 billion.

## Legal and Institutional Matters

Subcommittee V on Legal and Institutional Matters held four meetings in 2023, and Joint Subcommittee V (with the European Commission) met twice. The Subcommittee, which assists the EFTA Standing Committee and is composed of legal experts from the EEA EFTA States, monitored two-pillar issues and third-country provisions in the EEA Agreement, deliberated on cases of interest to the EEA EFTA States before the EFTA Court and the Court of Justice of the European Union, and discussed various horizontal legal issues relating to management of the EEA Agreement.

## Relations with the United Kingdom

Iceland, Liechtenstein and Norway signed a **free trade agreement** with the **United Kingdom** in July 2021, which entered into force in September 2022 for Liechtenstein, Norway and the UK, and on 1 February 2023 for Iceland.

The second meeting of the Joint Committee established under the FTA took place on 26 October 2023 in Reykjavik. At this meeting, the Parties reaffirmed that the Agreement was functioning well, and discussed issues related to the FTA such as statistics on preferential trade under the Agreement; the introduction of the UK's scheme on sanitary and phytosanitary measures, including the UK Target Border Operation Model and its potential effect on trade between the Parties; the implementation of Joint Committee Decision No 2/2022 on International Mobile Roaming Rates; recognition of professional qualifications; and maritime transport. Delegates also discussed issues related to future developments in their trade relationship, including the potential for extended cumulation for goods covered by the FTA, and developments in both



Speakers and panellists at EFTA's standardisation conference in November.

sides' relations with the EU that may have an impact on their trade relations. The Joint Committee also adopted Decision No 1/2023 on the Code of Conduct for Arbitrators.

On 27 September 2023, the Joint Committee established under the EEA EFTA – UK **Separation Agreement** held its fourth meeting. As in the previous year, delegations from Iceland, Norway, Liechtenstein and the UK provided updates on their implementation and application of the agreement, with emphasis on the provisions relating to citizens' rights. The EFTA Surveillance Authority and the Independent Monitoring Authority presented information on the monitoring of the implementation and application of the agreement. The Joint Committee also adopted a decision amending Part I of Annex I to the Separation Agreement to reflect updates made to both the EEA Agreement and the EU–UK Withdrawal Agreement on social security. Finally, the Joint Committee issued an annual report on the functioning of the Separation Agreement for the year 2022.

## The EEA Supplement

The EEA Supplement to the Official Journal of the European Union contains Icelandic and Norwegian translations of EEA-relevant texts. It contains material from the:

- > EEA Joint Committee
- > EFTA Standing Committee
- > EFTA Surveillance Authority
- > EFTA Court
- > European Commission

The EEA Supplement is published weekly on the EFTA website, all year round, and always includes merger notifications from the European Commission. As third parties have very short deadlines to submit any observations on proposed mergers to the Commission, these texts need to be translated and published quickly.



EFTA's web-based legal database, EEA-Lex, is an important tool for monitoring the incorporation of EU acts into the EEA Agreement.



In addition to the regular weekly issues, separate issues of the EEA Supplement contain translations of EEA Joint Committee Decisions and EU legal acts that have been incorporated into the EEA Agreement.

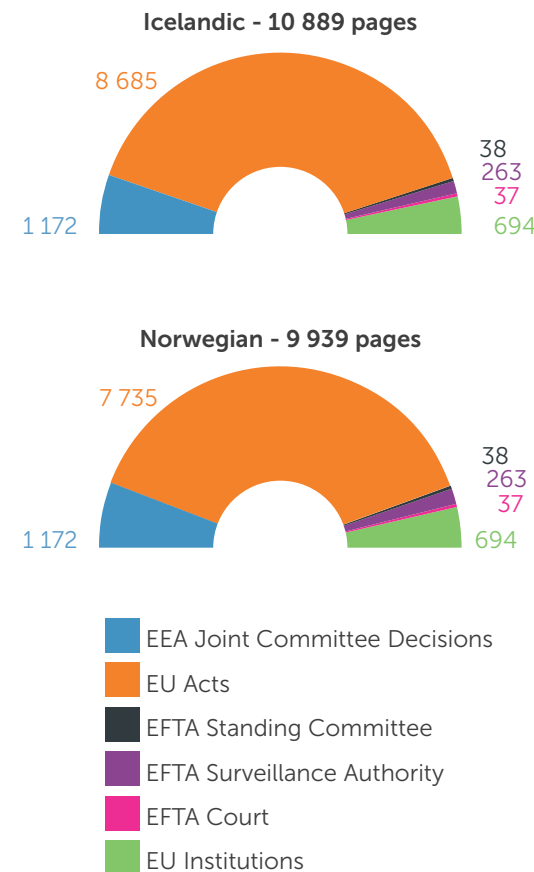
**Find all published issues here.**

The publication of translated EU legal acts incorporated into the EEA Agreement maintained a very high level in 2023, with the EFTA Secretariat publishing 94 issues of the EEA Supplement. The amount of materials published in Icelandic and Norwegian remained at a fairly similar level, since there are no longer any significant backlogs in the translation of legal acts.

Thanks to a joint effort with the Commission Secretariat-General to clear the backlog of published JCDs, 2023 saw an all-time high in the number of EEA Supplements containing JCDs, in terms of both issues and number of pages published. All signs indicate that this positive trend will continue into 2024.

Much of the material from the EEA Supplement is available on **EEA-Lex**, where you can find information on proposed EU legal acts with possible EEA relevance, adopted EU acts under consideration for incorporation into the EEA Agreement, and acts that have already been incorporated into the Agreement.

**Fig. 1 – Publication in the EEA Supplement 2023**



## The Incorporation of EU Acts into the EEA Agreement

Subcommittees I-IV assist the EFTA Standing Committee and the EEA Joint Committee in preparing for the incorporation of EEA-relevant EU acts into the EEA Agreement. In practice they function as one committee when they meet, eight times a year in two configurations:

- > Internal meetings with representatives of the EEA EFTA States' foreign ministries
- > Joint meetings with representatives of the EEA EFTA States and the Secretariat-General of the European Commission

The Subcommittees are assisted by several EFTA working and expert groups, made up of relevant experts from the EEA EFTA States' national administrations. They are responsible for monitoring developments in the EU within their fields, and for evaluating and processing EU legislation to be incorporated into the EEA Agreement.

Since 2014, continuous efforts have been made to increase efficiency in the incorporation of EEA-relevant EU legal acts, such as by improving the



Subcommittee V meeting in Brussels in October.

basis for cooperation between the different parties in the process. This has been done by sharing details of incorporation procedures in the EFTA Secretariat, the national administrations and the EU, and how they interact. The planned switch to online forms will also make the incorporation process more efficient.

The Secretariat has also been gathering data in recent years on the performance and procedural compliance of both the EEA EFTA States and the EFTA Secretariat. These key performance indicators provide a good basis for a targeted approach to further improve the efficiency of the incorporation process.

## 2023 Meetings

Subcommittee I	Subcommittee II	Subcommittee III	Subcommittee IV	Subcommittee V
25 meetings	17 meetings	5 meetings	26 meetings	4 meetings
388 acts incorporated	184 acts incorporated	5 acts incorporated	47 acts incorporated	

## EEA Toolbox

### How EU law becomes EEA law



#### Learn more:

Our interactive web tool [How EU law becomes EEA law](#) provides a visual presentation of the legislative process behind the EEA Agreement. It is available in English, German, Icelandic and Norwegian.

Our [fact sheet](#) explains the process in an accessible and concise way.

### How to read EEA law



#### Learn more:

Our [Adaptations tool](#) helps to establish what adaptations apply when reading an EU legal act in the EEA context.

Our [fact sheet](#) explains adaptations to EU acts in the EEA Agreement in an accessible and concise way.

## Free Movement of Goods

*A substantial part of the legislation incorporated into the EEA Agreement concerns the free movement of goods. Its objective is to enable the free circulation of products while ensuring a high level of protection of health, safety and the environment. Rules on competition, state aid and public procurement apply to trade in both goods and services, and ensure a fair and efficient market.*

**Subcommittee I** on the Free Movement of Goods coordinates matters relating to harmonised technical legislation, the food chain, intellectual property rights, energy, competition, state aid and public procurement. The Subcommittee is assisted by 11 working groups and 24 expert groups, which are subgroups under the Working Group on Technical Barriers to Trade.

*In addition, three committees deal with issues related to goods under the EFTA Council: the Committee on Technical Barriers to Trade, the Committee of Origin and Customs Experts, and the Committee on Trade Facilitation.*

### Reinforced role for the European Medicines Agency

**Regulation (EU) 2022/123** on a reinforced role for the European Medicines Agency (EMA) in crisis preparedness and management for medicinal products and medical devices is being processed for incorporation into the EEA Agreement. The regulation was put forward as a result of the COVID-19 pandemic, which highlighted the limitations of the EU's ability to coordinate work on ensuring the availability of medicinal products and medical devices. The regulation sets a clear framework for the activities to be deployed by the EMA in preparation for – and during – public health emergencies. It empowers the EMA to monitor and mitigate shortages of medicinal products and medical devices, and ensures the smooth functioning of the Internal Market for these products during public health emergencies.

### Market surveillance and consumer product safety

**Regulation (EU) 2019/1020** on market surveillance and product compliance was incorporated into the EEA Agreement in December 2023. The objective of the act is to keep non-compliant products from being placed on the market by strengthening market surveillance and promoting closer cross-border cooperation among enforcement authorities, including customs authorities. The regulation is part of the so-called Goods Package, which includes a regulation that has already been incorporated on the mutual recognition of goods. The new rules consolidate the existing framework for market surveillance activities and create a strengthened framework for controls on products entering the Single Market.

### Standardisation

In 2023, EFTA continued to support **European standardisation** and the public–private partnership between the European Commission and EFTA on the one side and the European Standardisation Organisations (ESOs) and stakeholders on the other.

The EFTA Secretariat participated in the general assemblies of the three ESOs – the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) and the European Telecommunications Standards Institute (ETSI) – and of the European Cooperation for Accreditation (EA).

The EFTA States and the Commission provide financial support to the three ESOs. EFTA continued to co-fund the ESOs in 2023, as well as four recognised stakeholder organisations that participate in European standardisation: the European Association for the Coordination of

Consumer Representation in Standardisation (ANEC), the Environmental Coalition on Standards (ECOS), Small Business Standards (SBS) and the European Trade Union Confederation (ETUC).

In 2023, EFTA signed 31 agreements relating to standardisation, including amendments to existing agreements. It also continued its financial support to the EA.

On 8 November, EFTA hosted a conference on **Raising the Standard: Working together to unlock the EU Standardisation Strategy's full potential**, which attracted around 70 in-house participants and further attendees online. Speakers and panellists from European and national standardisation organisations, the European Commission, industry and other stakeholders discussed the implementation and effects of the 2022 EU Standardisation Strategy. The main conclusion was that standardisation stakeholders across Europe must work together to maximise the strategy's full potential, as all of them – including those outside the EU – have something to contribute.

### European energy crisis

The situation in the energy markets in the context of the Russian aggression against Ukraine triggered several policy responses from the EU – both short-term emergency measures and longer-term energy policies – with an impact on its acquis. Although the energy markets stabilised in 2023, several emergency energy policy instruments were prolonged. Revisions of many EEA-relevant legal acts that were amended as a result of the energy crisis also passed through EU negotiations in 2023, including revised directives on energy efficiency, renewables and energy performance in buildings,

and a revision of the EU electricity market design. The Working Group on Energy Matters is now processing these acts for incorporation into the EEA Agreement.

### Competition – revised Vertical Block Exemption Regulation

The Vertical Block Exemption Regulation (VBER) **Regulation (EU) 2022/720** was incorporated into the EEA Agreement in July 2023, providing businesses with simpler, clearer and more up-to-date rules and guidance. The new rules will help businesses assess the compatibility of their supply and distribution agreements with EU competition rules in a business environment reshaped by the growth of e-commerce and online sales.

### State aid – revised General Block Exemption Regulation

The revised General Block Exemption Regulation (GBER) **Regulation (EU) 2023/1315** was incorporated into the EEA Agreement in December 2023. The revised rules further facilitate, simplify and speed up support for the EU's green and digital transition. The new rules will provide greater flexibility to design and implement support measures in sectors that are key for the transition to climate neutrality and a net-zero industry. The revised GBER will help accelerate investment and financing for clean tech production in Europe, in line with the Green Deal Industrial Plan.

## Simplified Procedure

Due to specific needs in the veterinary and food safety fields, certain acts under the Working Group on the Food Chain are subject to a simplified procedure. This is a derogation from the normal procedure for the incorporation of acts into the EEA Agreement, used when it is necessary to put safeguard and protective measures in place urgently. It requires that the EEA EFTA States, "simultaneously with the EU Member States, take measures corresponding to those taken by the latter". Until the introduction of the simplified procedure in 2001, an act could only be incorporated through an EEA Joint Committee Decision, which in many cases took more than half a year.

The following acts are subject to the simplified procedure:

- > Safeguard and protective measures concerning the EEA territory or imports from third countries of live animals, animal products or food
- > Texts of application and lists of approved food- and feed-producing establishments concerning imports from third countries
- > Safeguard measures and listing of countries and territories concerning the non-commercial movement of pet animals

A total of **87 acts** were implemented using the simplified procedure in 2023.

## Free Movement of Capital and Services

*The EEA Agreement guarantees the freedom to provide services on a non-discriminatory basis anywhere in the EEA. The free movement of services – together with the right of establishment – is one of the major breakthroughs and an important factor in EEA coherence. The service sector constitutes a significant share of local economies and plays an important role in many stages of the production of goods. The free movement of capital is a prerequisite for the free movement of services. The EEA Agreement provides a comprehensive and non-discriminatory framework for capital transfers, cross-border investments and loans. The aim is to eliminate exchange controls that affect capital transfers directly, as well as other indirect barriers to capital movements.*

**Subcommittee II** on the Free Movement of Capital and Services coordinates matters concerning financial services, company law, electronic communications, audiovisual services, information society, data protection, postal services and transport. Five working groups and one expert group report to Subcommittee II.

### Review of legislation establishing the European Financial Supervisory Authorities

In December 2019, the Commission adopted a revision of the regulations establishing the European Financial Supervisory Authorities (ESAs) – the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA). Among other amendments, the ESAs will set EU-wide strategic supervisory priorities for national competent authorities, the governance of the ESAs has been strengthened and elaborated, and the EBA in particular will have an increased coordinating role in combating money laundering and the financing of terrorism. The EFTA Task Force on Financial Services is aiming for these amendments to enter into force in the EEA before the end of 2024.

### New legislation on anti-money laundering and countering the financing of terrorism

In July 2021, the Commission presented an extensive new package of **legislative proposals** concerning an entire new framework for anti-money laundering and the countering of terrorism

financing. The package contains a regulation establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). AMLA will have extensive supervisory competences, including direct supervision in certain instances. The EFTA Working Group on Financial Services submitted an **EEA EFTA Comment** in January 2022, addressing the setup of AMLA. A provisional agreement on the legislative package was reached in December 2023 and is expected to be adopted in the EU in early 2024. The provisional agreement foresees no substantive changes from the proposal regarding the setup of AMLA.

### Digital services

Through its Digital Platform Task Force, the Working Group on Electronic Communication, Audiovisual Services and Information Society (ECASIS) continued preparing for the incorporation of the EU's new legal framework for digital services – the Digital Services Act (DSA) **Regulation (EU) 2022/2065** and the Digital Markets Act (DMA) **Regulation (EU) 2022/1925**. The DSA focuses on upgrading liability and safety rules for digital platforms, services and products. The DMA introduces rules for platforms acting as gatekeepers

in the digital sector to prevent them from imposing unfair conditions on businesses and consumers. In addition to providing better consumer protection while promoting an open and competitive platform economy, these instruments aim to help smaller companies grow cross border by ensuring a consistent set of rules across the EEA.

### Cybersecurity

The Working Group on ECASIS completed the incorporation of the Cybersecurity Package, consisting of **Directive (EU) 2016/1148** (NIS 1 Directive), **Regulation (EU) 2019/881** (Cybersecurity Act) and **Regulation (EU) 2021/887** (European Cybersecurity Competence Centre). Experts also assessed the new Cyber Solidarity Act and continued to discuss the draft JCD to incorporate the revised NIS 2 Directive into the EEA Agreement.

## Eurovignette Directive

**Directive (EU) 2022/362** on the charging of heavy goods vehicles for the use of infrastructure – the Eurovignette Directive – will apply in the EU from 25 March 2024. The directive, which is being assessed by the Working Group on Transport, includes a new scheme to reduce the carbon footprint of the transport sector in line with the European Green Deal and the Paris Agreement. Time-based user charges (vignettes) will be phased out for heavy-duty vehicles on the core TEN-T network within eight years of entry into force of the directive. In addition, a new EU-wide tool will be introduced for varying infrastructure and user charges for heavy-duty vehicles, based on CO<sub>2</sub> emissions.

## European Union Aviation Safety Agency

**Regulation (EU) 2018/1139** on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency (EASA), as well as implementing and delegated acts, were incorporated into the EEA Agreement on 28 April 2023. The EASA Regulation introduces changes relating to drones and urban air mobility, as well as to EASA's role in areas such as environmental protection, research and development, international cooperation and cybersecurity in aviation.

## Ship Inspection Package

The Ship Inspection Package, consisting of **Regulation (EC) No 391/2009** on common rules and standards for ship inspection and survey organisations and 15 connected acts, was incorporated into the EEA Agreement on 8 December 2023. The package introduces changes to the minimum criteria for the recognition of ship inspection and survey organisations, with a view to enhancing the safety of and preventing pollution from ships. It also establishes the necessary and uniform professional standards for the organisations'

activities to ensure equal levels of safety and environmental protection. The Commission has been awarded certain powers to enforce the relevant rules.

## Regulation amending the EMSA Regulation

**Regulation (EU) No 100/2013** amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (EMSA) and one connected act were incorporated into the EEA Agreement on 8 December 2023. The amended regulation clarifies the types of marine pollution that fall under EMSA's mandate and adds a number of new tasks related to the exchange of information, technical assistance and maritime security, reflecting the development of maritime safety policy at EU and international level.

## Maritime Safety Package

The new Maritime Safety Package was introduced on 1 June 2023, comprising five legislative proposals aimed at modernising EU rules on maritime safety and preventing water pollution from ships. The proposals contain new tools to support clean and modern shipping, aligning EU rules with international regulations and securing a level playing field for the sector, while improving implementation and enforcement through digitalisation and greater EU cooperation.

The five proposals, which EFTA experts are currently assessing, concern:

1. Clear requirements for flag state inspections
2. Port state control
3. The European Maritime Safety Agency
4. Investigations into accidents in the maritime transport sector
5. Ship-source pollution

The EEA EFTA States submitted an **EEA EFTA Comment** on the first four of these proposals on 8 November 2023.

## Road Safety Package

The EU Road Safety Package, introduced on 1 March 2023, comprises three legislative proposals aimed at increasing road safety in the EU by extending the scope of road-safety-related traffic offences and strengthening cross-border enforcement.

The Commission proposes a new directive on driving licences, a directive on the EU-wide effect of certain driving disqualifications, and an amendment to the directive facilitating the cross-border exchange of information on road-safety-related traffic offences (**Directive (EU) 2015/413**). EFTA experts are assessing the package, and on 1 December the EEA EFTA States submitted an **EEA EFTA Comment** on the proposed revised Driving Licence Directive.

## Greening of Transport Package

The Greening of Transport Package was introduced in July 2023 and contains three legislative proposals aimed at making freight transport more efficient and sustainable. This will be achieved by improving rail infrastructure management and offering stronger incentives for low-emission lorries, as well as improved information on freight transport greenhouse gas emissions.

The aim of the package is to increase efficiency within the transport sector and contribute to the European Green Deal's target of cutting transport emissions by 90% by 2050, while allowing the sector to continue to grow.



## Free Movement of Persons

*Free movement of persons is a fundamental right giving citizens of the 30 EEA Member States the opportunity to live, work, establish business and study in any of these countries. EU legislation in this field aims to eliminate all obstacles to the freedom of movement and to give workers, self-employed people, students, pensioners and their family members the same rights in the EEA by eliminating any discrimination on the basis of nationality.*

**Subcommittee III** on the Free Movement of Persons coordinates matters such as social security and recognition of professional qualifications. Three working groups report to Subcommittee III.

### Free movement of persons, employment and social policy

In 2023, experts in the Working Group on Free Movement of Persons, Employment and Social Policy followed the work of the EU's Employment Committee (EMCO) and the development of key actions set out in the European Pillar of Social Rights Action Plan. In addition, a joint seminar on issues related to EU social policy was held in April with the Working Group on Health and Safety at Work and Labour Law and the EFTA Consultative Committee.

### Social security – ongoing negotiations with the UK

Experts from the Working Group on Social Security representing Iceland, Liechtenstein and Norway participated in negotiations between the three EEA EFTA States and the UK on social security coordination rules and reciprocal healthcare, following the UK's withdrawal from the EU. The Convention on Social Security Coordination was signed on 30 June 2023, with entry into force on 1 January 2024.



## Flanking and Horizontal Policies

*In order to ensure that the Internal Market functions well, the EEA Agreement includes horizontal provisions relevant to the free movement of goods, persons, services and capital, as well as provisions concerning cooperation outside the four freedoms in so-called flanking areas. These provisions provide a legal basis for incorporation into the Agreement of EU legislation in fields such as the environment, consumer protection, civil protection, education, and health and safety at work.*

**Subcommittee IV** on Flanking and Horizontal Policies coordinates matters related to all aspects of the horizontal provisions of the EEA Agreement, as well as cooperation outside the four freedoms. In total, 13 working groups report to Subcommittee IV.

### Revision of the EU Emissions Trading System

The revised EU Emissions Trading System (EU ETS), proposed as part of the Fit for 55 Package in 2021, entered into force on 5 June 2023. This revision added a new linear trajectory to align with the revised 2030 climate targets, as well as expanding the scope of ETS 1 to maritime transport and introducing a new ETS 2 for road vehicles and buildings. In addition, the aviation sector will move to full auctioning for flights within the EEA, taking into account the adaptations on Iceland. **Directive (EU) 2023/958**, **Directive (EU) 2023/959** and **Regulation (EU) 2023/957** make up the main legal acts of the revised EU ETS, and were incorporated into the EEA Agreement on 8 December 2023.

### Research and development, education, training and youth – participation in EU programmes

Research and development, education, training and youth are reflected in Protocol 31 EEA. Participation in EU programmes is the main instrument for the EEA EFTA States' cooperation with the EU in these policy areas.



In 2023, the Working Group on Education, Training and Youth and the Working Group on Research and Innovation followed up on mid-term evaluations and engaged in continuous awareness raising and monitoring of the EEA EFTA States' rights and obligations in EU programmes, such as Horizon Europe, Erasmus+ and the European Solidarity Corps.

### Proposal on empowering consumers in the green transition

In April 2022, the Commission adopted a **proposal** amending the Unfair Commercial Practices Directive and the Consumer Rights Directive, giving consumers better protection against unfair commercial practices and better information in the context of the green transition. The proposal is part of a package of European Green Deal proposals to make sustainable products the norm in the EU. The main aim of the proposal, which the Working Group on Consumer Affairs continued to assess in 2023, is to provide better information about the environmental sustainability of products and better protection against greenwashing. The proposed amendments oblige traders to provide consumers with information about the durability and repairability of products, and ban greenwashing and planned obsolescence.

### Chips Act

On 13 September 2023, the European Parliament and the Council adopted a regulation establishing a framework of measures to strengthen Europe's semiconductor ecosystem, which came about as a result of the recent shortage of chips/semiconductors experienced by European

undertakings. The regulation, which is being assessed by the Working Group on Enterprise Policy and Internal Market Affairs, aims to reach the strategic objective of increasing the resilience of Europe's semiconductor ecosystem and its global market share. It also aims to facilitate the early adoption of new chips by European industry and increase Europe's competitiveness in this field.

### Critical Raw Materials Act

On 16 March 2023, the Commission adopted a proposal for a regulation establishing a framework for ensuring a secure, diversified and sustainable supply of critical raw materials. The proposed regulation aims to simplify the permitting procedures for critical raw materials processes, monitor the supply of critical raw materials, and promote skills relevant to the industry. The Working Group on Enterprise Policy and Internal Market Affairs is assessing the proposal, and submitted an [EEA EFTA Comment](#) on 20 September welcoming the act.

### Net Zero Industry Act

On 16 March 2023, the Commission presented a proposal for a regulation establishing a framework of measures to strengthen Europe's net-zero technology products manufacturing ecosystem. The proposal includes a set of actions and targets to ensure the resilience of net-zero technologies manufacturing in the EU. The proposal, which is being assessed by the Working Group on Enterprise Policy and Internal Market Affairs, aims to accelerate permitting procedures, reduce administrative burden, enhance skills, support investments and foster innovation in net-zero technologies. The EEA EFTA States submitted an [EEA EFTA Comment](#) on the proposal on 11 December.

## Single Market Emergency Instrument

In September 2022, the Commission adopted a proposal for a Single Market Emergency Instrument. Based on the effects of the COVID-19 pandemic and the Russian invasion of Ukraine, the Commission is aiming for an instrument that will focus on crisis preparedness and the management of new crises. The proposal, which the Working Group on Enterprise Policy and Internal Market

Affairs continued to assess in 2023, sets out a new mechanism to monitor the Single Market, identify different levels of risk and coordinate an appropriate response comprising several stages, namely contingency, vigilance and emergency modes. The EEA EFTA States submitted an [EEA EFTA Comment](#) on the proposal on 18 April.

### Shaping EU policy

The EEA EFTA States contribute to the development of EU legislation and policy through different channels. An important feature of the EEA Agreement is that it enables our experts to participate in EEA-relevant Commission expert groups and advisory committees where they can express the EEA EFTA States' views on upcoming EU initiatives.

The EEA EFTA States also influence policy through participation in EU programme committees and EU agencies, where these are used as sounding boards for new proposals. Furthermore, seconded national experts from the EFTA States can be an important source of information about upcoming legislative initiatives, as well as a way to spread knowledge about the EEA Agreement and the priorities of the EFTA States within the EU institutions.

One of the formal ways in which the EEA EFTA States participate in shaping EU policies, programmes and legislation is by submitting common position papers, known as EEA EFTA Comments. In 2023, seven EEA EFTA Comments were sent to the Commission, the Parliament and the Council, including on files related to maritime safety, critical raw materials and media freedom:

- > [Single Market Emergency Instrument](#)
- > [European Media Freedom Act](#)
- > [Critical Raw Materials Act](#)
- > [Maritime Safety Package](#)
- > [Revised Driving Licence Directive](#)
- > [Common rules promoting the repair of goods](#)
- > [Net Zero Industry Act](#)

The Commission then attended the relevant EFTA working group meeting to give feedback on the comments received.



**EEA EFTA Participation in EU Policy Making**

Since the EEA EFTA States are not EU Member States, they do not have a vote when the EU adopts new legislation. As members of the Internal Market, the EEA EFTA States have valuable insight into the functioning of current legislation. They therefore participate actively in EU legislative processes and provide input to the European Commission, the EU Member States in the Council and the European Parliament to support the continued good functioning of the Internal Market – and the EEA Agreement. This participation is referred to as decision shaping.

**EEA EFTA participation in Commission committees and expert groups**

In recognition of the status of the EEA EFTA States as members of the Internal Market, the EEA Agreement provides for extensive participation from EEA EFTA experts in the policy making work of the European Commission. At the initial preparatory stages when the Commission is seeking specialist or scientific advice, it seeks input from experts in the EU Member States and the EEA EFTA States on the basis of their professional qualifications. National representatives of the EEA EFTA States then participate in the different types of Commission committees and expert groups, such as advisory committees, programme committees

and special expert groups. These forums exchange views on the content of EU legislation prepared by the Commission, vote on certain types of secondary legislation and discuss implementation of adopted legislation. The EEA EFTA representatives participate in the discussions but do not vote.

The involvement of the EEA EFTA States in these stages of the policy making process is essential for the Internal Market – and for the EEA Agreement. It enables the Commission to assess the functioning of legislation across all parts of the Internal Market. It ensures that the EEA EFTA States can contribute their experience of applying Internal Market legislation in the forums of discussion between the EU Member States and the Commission. Finally, it enables the EEA EFTA States to follow developments of new legislation and prepare for the timely national implementation of new rules.

The full list of EEA EFTA Comments can be found here

## Directive on the resilience of critical entities

In December 2022, the Council and European Parliament adopted a **directive** strengthening the resilience of critical entities. The Working Group on Civil Protection is assessing the directive, which focuses on physical security and the protection of critical processes such as the supply of drinking water and energy.

## European Labour Authority

**Regulation (EU) 2019/1149** establishing the European Labour Authority (ELA) was incorporated into the EEA Agreement on 8 December 2023, following its adoption by the EU in May 2019. The ELA, which is part of the European Pillar of Social Rights, is expected to reach full operational capacity by 2024. Its aim is to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way across the Single Market.

## Budgetary matters

The Working Group on Budgetary Matters is responsible for the timely and correct application of the budgetary provisions set out in Article 82 and Protocol 32 EEA. It also plays a coordinating role in assessing the programme portfolio of the EU's Multiannual Financial Framework.

The annual EEA EFTA budget covers the EEA EFTA States' contribution to the EU budget and allows for EEA EFTA participation in EU programmes, actions and agencies. The EEA EFTA States' financial commitments to EU operational costs in 2023 were EUR 739.3 million, up from EUR 618.5 million in 2022. The EEA EFTA net payment in 2023 amounted to EUR 638.9 million, representing an increase from EUR 576.9 million in 2022.

The EEA EFTA States also contribute to the administrative costs of the European Commission in relation to their programme participation, an essential part of which is the contribution in kind of seconded national experts. A total of 23 EEA EFTA national experts were seconded to the various Commission directorates dealing with EEA-relevant programmes and activities in 2023.

**Fig. 2 – EEA EFTA financial contributions to EU programmes, agencies and other activities (payments in thousand EUR)**

Sector of activity	2022	2023
Research and innovation	356 650	365 197
Education, training and youth	89 193	94 415
Transport	53 263	81 444
Culture and audiovisual sector	10 130	7 167
Public health	10 926	19 483
Information services	24 351	36 309
Social policy and employment	2 996	2 595
Product requirements (chemicals, food, medicines)	6 266	6 700
Statistics	1 752	2 035
Civil protection	14 074	13 582
Environment	1 566	2 021
Enterprise, innovation, SMEs, consumer protection	5 418	7 507
Energy	269	432
<b>Total EEA EFTA contribution</b>	<b>576 854</b>	<b>638 889</b>

## Cooperation in Statistics

The **EFTA Statistical Office (ESO)** is the liaison office between the EFTA National Statistical Institutes (NSIs) and Eurostat – the statistical office of the European Union. Cooperation between the EFTA NSIs, Eurostat and ESO, particularly in the context of the EEA Agreement, and technical cooperation with partner countries outside the European Statistical System (ESS) remain the two main areas of ESO's activities.

In the context of the EEA Agreement, ESO's priorities are to monitor new EU legislation in the field of statistics and to support the EEA EFTA NSIs in the incorporation of EEA-relevant acts into Annex XXI to the Agreement.

ESO also works closely with Eurostat – which is located at the same premises in Luxembourg – on the development of the EEA Annual Statistical Work Programme, monitoring the inclusion of EFTA data in Eurostat's dissemination channels. As part of its cooperation with Eurostat and the EFTA NSIs, ESO co-organises courses for statisticians in the framework of the European Statistical Training Programme (ESTP) and provides statistical training and capacity building to partner countries, primarily in Europe's bordering regions to the east and south.

## Priorities in 2023

ESO's main priorities in 2023 were to:

- > Assist the EFTA States by providing information on meetings in the ESS, coordinating their registration and following up on their participation in the European Statistical System Committee and other ESS bodies



- > Support the EEA EFTA States in the incorporation of EEA-relevant statistical legislation into the EEA Agreement, with a view to reducing the backlog and ensuring that Annex XXI to the Agreement continues to reflect EU acquis in the field of statistics to an adequate level
- > Monitor and report on the inclusion of data on the EFTA States in Eurostat's dissemination channels, and follow up with the EFTA States and Eurostat (as relevant) on gaps identified between the legal requirements stated in the EEA Agreement, data transmission and inclusion

### Legal and institutional developments

As regards legislation, 11 new acts in the field of statistics were incorporated into Annex XXI EEA in 2023. With 18 acts identified requiring incorporation in 2023, the backlog of acts pending with EFTA was slightly higher at the end of the year compared with the year before.

Acts incorporated in 2023 included implementing and delegated acts concerning statistics on persons and households, gross national income and tourism, among other areas. ESO provided support to the EEA EFTA States in their assessment of the acts pending incorporation, and whenever necessary in the elaboration of adaptations and derogations.

The 2023 EEA Annual Statistical Work Programme was prepared in consultation with the EEA EFTA States and Eurostat.

### Production and dissemination of EFTA statistics

Protocol 30 EEA and the Switzerland–EU bilateral agreement on statistics provide that statistics from all of the EFTA States shall be transmitted to Eurostat for storage, processing and dissemination. In dialogue with the EFTA NSIs and Eurostat, ESO continues to strive for regular and complete inclusion of EFTA data in Eurostat's databases and dissemination channels. In 2023, ESO finalised the annual inclusion monitoring report for 2022 and the 2023 mid-term report, both of which confirmed a high level of inclusion of data on the EFTA States in Eurostat's dissemination channels. Several changes have been made in recent years to the methodology and scope of inclusion monitoring in order to keep pace with Eurostat's evolving dissemination policy, and ESO is continuing with this development work.

### EFTA participation in Eurostat working groups and committees

Every year, Eurostat organises over 100 in-person and online meetings as part of the cooperation in the ESS, in order to prepare and implement new legislation, develop methodologies and follow up on data collection and dissemination. Experts from the EFTA States participate actively in the relevant meetings, on an equal footing with their

counterparts from the EU Member States. In 2023, around 150 meetings were organised by Eurostat, 97% of which were attended by at least one EFTA expert; the highest participation rate observed in a given year so far.

### Other priority areas

In addition to its core activities, ESO contributed to EFTA's presence and visibility in the ESS by:

- > Ensuring the active involvement of EFTA and the EFTA States in EU technical assistance projects in the area of statistics, with priority given to partner countries in the European Neighbourhood Policy (ENP) countries
- > Contributing by providing training courses as part of the ESTP

### Statistical assistance and cooperation with third countries

EFTA works closely with Eurostat and other international partners on statistical assistance projects in partner countries outside the ESS. In 2023, this cooperation was based on the Administrative Arrangement between the EFTA Secretariat and Eurostat covering the years 2023–2025.

Statistical assistance and cooperation are focused mainly on the bordering regions of the EU and EEA, and include partner countries in the ENP, the EU candidate and potential candidate countries, and – to a lesser extent – Central Asia countries. EFTA's free trade partners are also included. The overarching objective is to further the development, production and dissemination of high-quality, diversified, coherent and comparable official statistics in these partner countries.

2023 marked the return to a certain normality after the COVID-19 pandemic as regards the implementation of the statistical assistance projects of the EFTA Secretariat. Most projects and activities were able to be implemented as planned, as a combination of in-person and online events.

The main activities in 2023 were:

- > Global assessments and other reviews of national statistical systems (NSS), including a global assessment of the NSS of Kazakhstan and a strategic review of the NSS of Georgia
- > Training courses in the use of the software “R” in statistical production (with Statistics Iceland) and an introduction to the production of statistics using geographical information systems (with Statistics Norway)
- > Joint EFTA–UNECE capacity development activities and events:
  - > Workshop on the Generic Law on Official Statistics
  - > Implementation of the 2008 System of National Accounts with a workshop on financial accounts



EFTA and UNECE workshop on the Generic Law on Official Statistics, Armenia, 4–5 July.

- > Study visit to Statistics Norway to review the Serbian System of Health Accounts
- > High-level seminar for European Neighbourhood Policy East and Central Asia countries, organised jointly by EFTA, Eurostat and UNECE
- > Funding and co-funding of the participation of experts from partner countries in various international and European events in the field of statistics

### European Statistical Training Programme

An exchange of letters between the EFTA Secretariat and Eurostat stipulates that EFTA shall finance two to four ESTP courses per year. In return, statisticians from the EFTA States have the right to apply for participation in all ESTP courses.

EFTA financed and co-organised three ESTP courses in 2023:

- > An in-person course by the Swiss Federal Statistical Office (FSO) on effective data visualisation in statistical dissemination, in Neuchâtel, Switzerland (14–16 September)



Annual meeting of the Working Group of the Heads of the EFTA NSIs, Luxembourg, 24 May.

- > An online course by the FSO on advanced methods for sample surveys (6–10 November)
- > An online course by Statistics Iceland on tidying up official statistics with “R” and the Generic Statistical Business Process Model (GSBPM) (6–10 November)

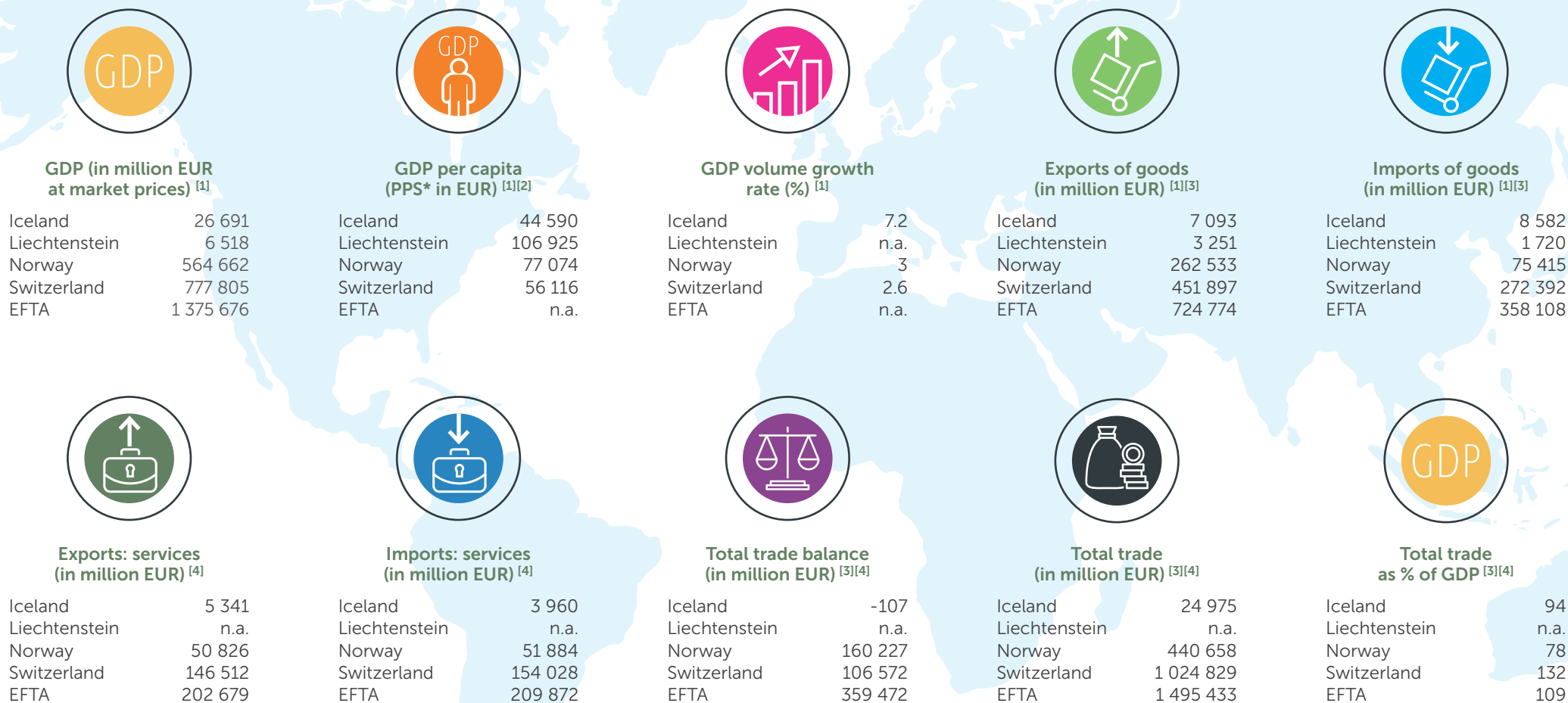
### EFTA national experts seconded to Eurostat

The secondment of national experts to Eurostat ensures the continued visibility of EFTA and the EFTA NSIs in the general statistical cooperation between EFTA and the EU. For most of 2023, four experts from Statistics Norway and two experts from the Swiss FSO were seconded to Eurostat in the framework of the EEA Agreement and the Switzerland–EU bilateral agreement on statistics, respectively. In addition, one Icelandic and one Norwegian expert were seconded to Eurostat as a specific contribution in kind to EFTA–EU statistical cooperation with partner countries, financed by EFTA through the Administrative Arrangement.



Participants in the workshop on financial accounts at EFTA House, Brussels, 9–11 October.

Fig. 3 – Economic indicators 2022



Sources: Eurostat and Amt für Statistik Liechtenstein

[1] Figures for Liechtenstein refer to 2021.

[2] The high GDP per capita for Liechtenstein is partly explained by the fact that a large number of foreign residents are employed in Liechtenstein and thus contribute to its GDP, while they are not included in the resident population.

[3] Excluding trade with Switzerland, which Liechtenstein is in a customs union with.

[4] Excluding Liechtenstein in EFTA aggregate.

\* Purchasing power standard (PPS) is an artificial currency unit that neutralises the effect of price level differences across countries.

# Solidarity with Ukraine

On 24 February 2022, Russia launched a full-scale invasion of Ukraine, forcing millions of people to flee from their homes.

Many of them took shelter in the EEA and Norway Grants Beneficiary States. To help these countries cope, **Norway, Iceland and Liechtenstein** quickly agreed to use some of the available EEA and Norway Grants funds to support displaced people from Ukraine.

Following the first wave of initiatives addressing basic needs, the focus shifted to the integration of people displaced by war.

**€15,3M**  
committed to funding over  
**66 projects** connected to  
supporting Ukraine.\*

\* Funding approved per 16 June 2023.

Through creative dialogue and cultural interaction, the TUSA project aims to help Ukrainians displaced by war in Lithuania with the process of healing, reconciliation, to adapt and to integrate into a new environment. The focus is on rebuilding individuals and families broken by war, and to prepare mentally for the return to Ukraine when the war ends.

Project funding:  
€184,700

Estonia

## Encouraging physical activity in

# EEA and Norway Grants

## Reducing Disparities and Strengthening Bilateral Relations

The EEA and Norway Grants are funded by Iceland, Liechtenstein and Norway, and are directly linked to the EEA Agreement. Their main goal is to reduce economic and social disparities in the EU and to strengthen bilateral relations between the donor states and 15 beneficiary states in Central and Southern Europe and the Baltics.



## Working together for a green, competitive and inclusive Europe

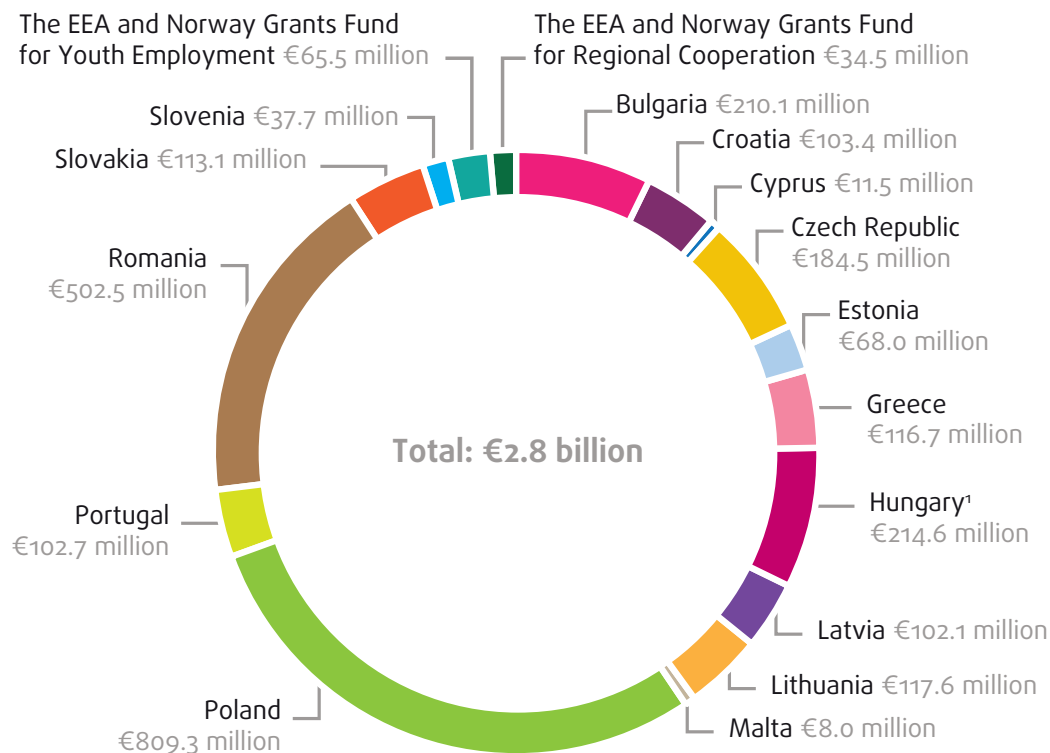
For the funding period 2014–2021, Iceland, Liechtenstein and Norway are contributing a total of EUR 2.8 billion. Five priority sectors have been agreed upon between the donor states and the EU to help build a greener, more competitive and inclusive Europe:

- > Innovation, research, education and competitiveness
- > Social inclusion, youth employment and poverty reduction
- > Environment, energy, climate change and low carbon economy
- > Culture, civil society, good governance and fundamental rights
- > Justice and home affairs

There are currently 97 programmes and two funds formally agreed between the donor states and beneficiary states. These programmes support areas that cover civil society, innovation and green business, research, scholarships, green energy, adaptation to climate change, the rule of law, strengthened asylum and migration systems, youth unemployment, social inclusion, cultural heritage, and bilateral and regional cooperation.

More details on the programme areas can be found in the [EEA and Norway Grants Blue Book](#).

Fig. 4 – EEA and Norway Grants 2014–2021



<sup>1</sup> The donor states were unable to reach an agreement with Hungary in 2021 on the appointment of a fund operator to manage the funding for civil society. Consequently, no programmes have been implemented under the Grants during the current funding period.

## 2023: a snapshot of results and achievements

2023 was a year of progress for the EEA and Norway Grants. Following on from the previous years, with the impact of the war in Ukraine and Europe's recovery from the COVID-19 pandemic, 2023 proved to be an important milestone in the implementation and management of over 6 700 projects across the beneficiary states. By the end of the year, programme and fund operators had successfully launched 603 calls and signed 6 723 projects under the EEA and Norway Grants. One of the highlights of the year was the EEA and Norway Grants exhibition at the European Parliament in September, showcasing the work of the Grants through 16 impactful projects (see photo on [page 32](#)).

The year ended on a high note with an agreement between Iceland, Liechtenstein and Norway and the EU on the next seven-year funding period for the EEA and Norway Grants, to a sum of EUR 3.2 billion.

### Educating refugee children in Greece

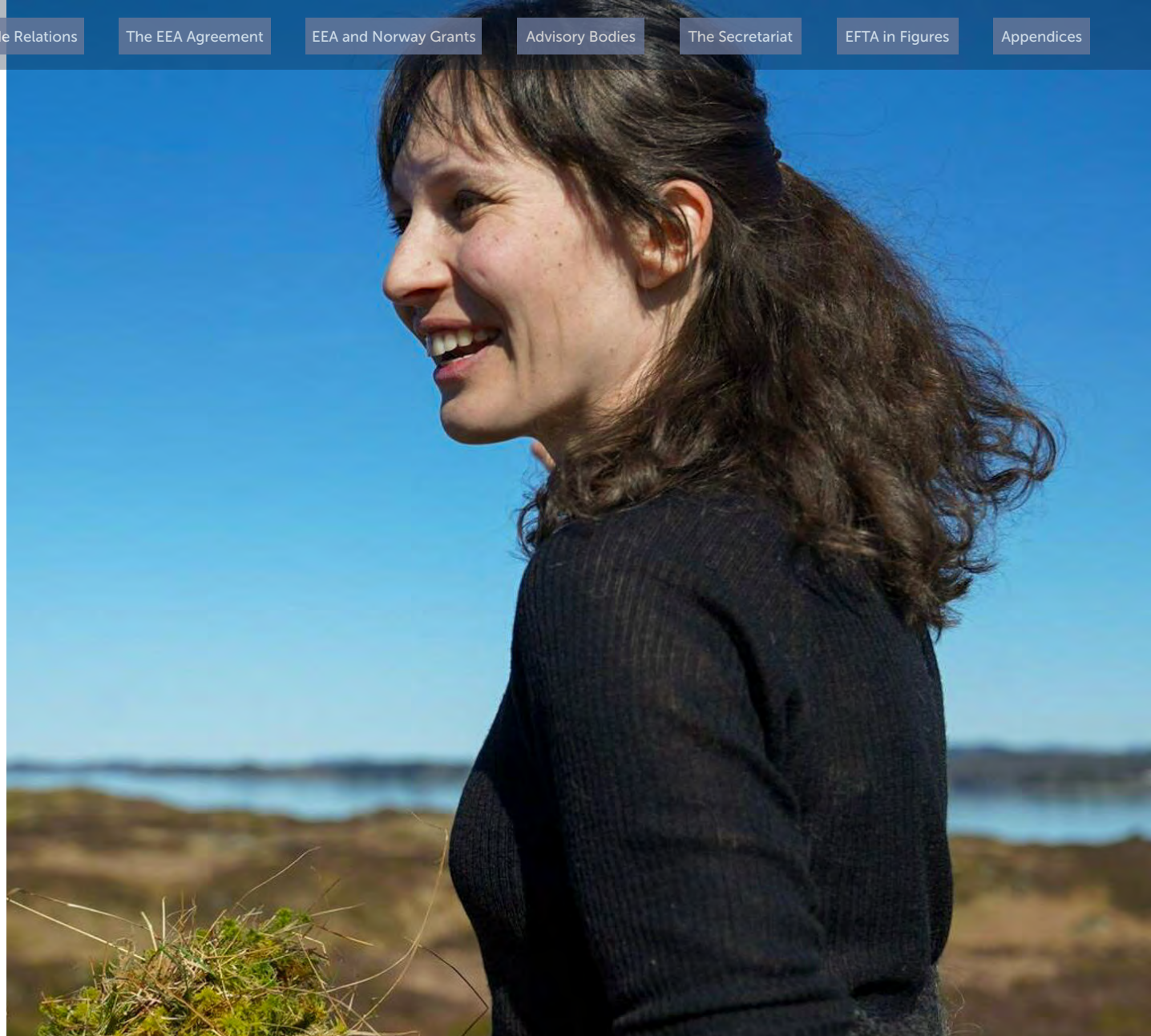
Over 30% of first-time asylum applicants in Europe are children. Their journey to safety and stability is often filled with challenges, and ensuring their uninterrupted access to education is crucial. The EEA and Norway Grants, in partnership with the European Wergeland Centre in Norway, actively support schools in Greece to provide quality education to 40 000 refugee and migrant children. The "Schools for All" project spans more than 70 schools in Greece, catering to students with diverse needs. The project boasts a team of 37 dedicated trainers, who work closely with teachers to foster a safe, inclusive and democratic learning environment.

[Read how the EEA and Norway Grants are helping to educate thousands of refugee children in Greece](#)



Iceland, Liechtenstein and Norway are dedicated to making a difference for a greener Europe and contributing to the goals laid out in the European Green Deal by funding projects that have a sustainable and positive impact on our environment. By the end of the current funding period, it is estimated that the EEA and Norway Grants will have contributed a reduction in annual CO<sub>2</sub> emissions of 1 400 000 tonnes and ensured annual renewable energy production of over 14 100 MWh.

In addition, preserving cultural heritage is key to Europe's future. The EEA and Norway Grants help to make culture more accessible, and contribute to local jobs, skills development and resilience in local communities. To date, over 810 000 people have visited cultural heritage sites supported by the Grants in the beneficiary states.



### **Biosphere reserves in Portugal**

The exploitation of ecosystems by humans has long-lasting consequences that are now crystal clear: climate change, loss of biodiversity and environmental degradation. These consequences threaten the foundations of our existence, but it is never too late to take action. This is what Portugal is doing through a project funded by the EEA Grants – by showing that it is possible for humans and nature to coexist in harmony.

[Read how the EEA Grants support biosphere reserves in Portugal](#)

By the end of 2023, the EEA and Norway Grants had funded over 2 800 civil society organisations, leading to nearly 3.5 million people actively engaging in civil society activities, such as standing up for human rights, democracy, social justice and gender equality.

Well-functioning healthcare systems are fundamental for maintaining healthy populations, and essential for economic productivity and social development. To that end, funding from the EEA and Norway Grants helped over 735 000 people benefit from social and health services such as medical care, legal advice, counselling, informal education, shelters and help for Roma communities and vulnerable individuals.



### Including children with intellectual disabilities in competitive sports

In a world where inclusivity is a pillar of societal development, ensuring that children with disabilities have equal opportunities is paramount. To meet this essential need, a groundbreaking inclusion project supported by the EEA and Norway Grants is contributing to a space where children are empowered to reach their full potential. The “Inclusion through sports for children with developmental disabilities” project started in January 2021, and has already connected over 5 200 children across 55 cities in central and southern Europe and the Balkans through participation in sports competitions, transcending geographical and social divides.

[Read more about the project here](#)

Supporting businesses and investing in education are essential for ensuring social inclusion and strengthening Europe's competitiveness in an increasingly globalised world. By the end of 2023, close to 100 000 professional staff had been trained, over 4 100 jobs created, over 3 900 researchers supported and over 1 400 SMEs had received funding from the EEA and Norway Grants, to name a few results.

Finally, the EEA and Norway Grants aim to impact and strengthen cooperation between the donor states and beneficiary states, both socially and economically. Bilateral involvement in programmes and projects contributes to awareness raising, changes in attitudes and the development of trust between cooperating organisations across borders.

By the end of 2023, over 2 400 projects involved a partner from the donor states. Cooperation under the Grants lays the foundations for further collaboration, with many partners planning to develop future projects together.

## The EEA and Norway Grants: Working together to reduce social and economic disparities in Europe and strengthen cooperation between European countries

# 15

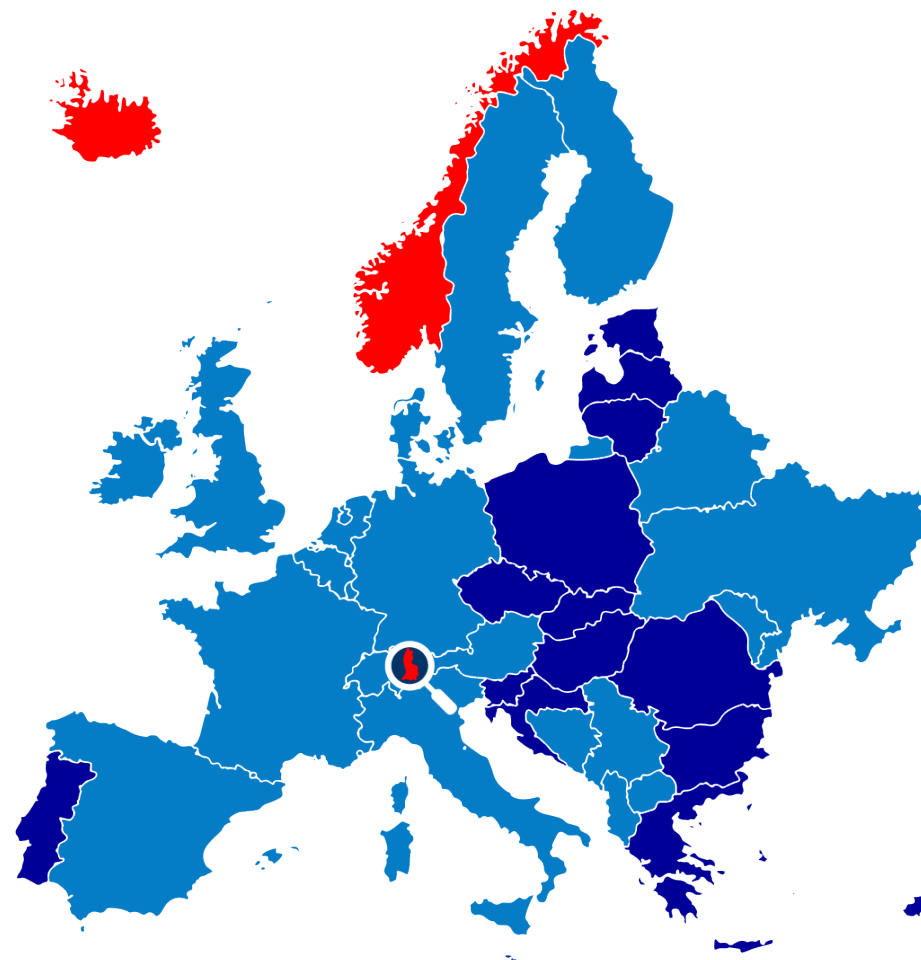
beneficiary  
countries

# 3

donor  
countries

# 2.8

billion  
euro





Meeting of the EFTA advisory bodies at the EFTA Ministerial in Schaan, Liechtenstein, on 27 June.

# Advisory Bodies

EFTA's advisory bodies scrutinise and advise on EFTA's trade relations with third countries, as well as its relations with the EU through the EEA Agreement. The EFTA Parliamentary Committee (EFTA PC) is composed of parliamentarians from the four Member States, while the EFTA Consultative Committee (EFTA CC) consists of representatives from trade union confederations and employers' organisations. The EEA EFTA Forum is made up of elected representatives at the local level.

The advisory bodies meet regularly with the EFTA Ministers and provide input to EFTA and EEA-related decision-making processes. EEA cooperation is also scrutinised jointly with their respective counterparts in the EU. The EEA Joint Parliamentary Committee (EEA JPC) is composed of parliamentarians from the EEA EFTA States and Members of the European Parliament (MEPs), while the EEA Consultative Committee (EEA CC) brings together representatives from the EFTA CC and the European Economic and Social Committee (EESC).

## Dialogue between the Advisory Bodies and the EFTA Ministers

The advisory bodies met with the EFTA Ministers three times in 2023. On 27 June, on the margins of the EFTA Ministerial meeting in Schaan, Liechtenstein, the **Committees held an exchange of views with Ministers** on the risks relating to subsidy schemes at the global level; the status of negotiations with India, Ukraine and Mercosur; and the state of play of EFTA's third-country relations in terms of both partners and horizontal issues. On 20 November, the **advisory bodies met with the EEA EFTA Ministers** on the margins of the **EEA Council**, using the opportunity to inform the Ministers about their joint work with the EU institutions on EEA matters. The meeting provided an opportunity to coordinate on important political issues, such as the situation in Ukraine and the competitiveness of the EEA cooperation in light of current geopolitical challenges.

On 21 November, they **met with the Chair of the EFTA Council**, State Secretary Ms Helene Budliger Artieda, representing Swiss Federal Councillor Mr Guy Parmelin. The Committee members and State Secretary exchanged views on various important EFTA negotiations and processes, such as the



Kristin Hansen, Chair of the EFTA Consultative Committee, on the value of meeting regularly with the Ministers at EEA level.

continued discussion on a modernised free trade agreement with Ukraine, ongoing negotiations with India and Thailand, the possible conclusion of an EFTA–Mercosur agreement, and EFTA's trade relations with Sub-Saharan Africa. The Committees also thanked the EFTA States for having consulted them on the new SME model chapter.

## The EFTA Parliamentary Committee

The EFTA Parliamentary Committee was chaired by Ms Trine Lise Sundnes, Member of the Norwegian Parliament, for both third-country issues (Committee of Members of Parliament of the EFTA Countries (CMP) – EFTA at four) and EEA-related matters (Committee of Members of Parliament of the EFTA States (MPS) – EFTA at three). See the **appendices** for all members of the EFTA PC.

### Third-country relations/trade

The EFTA PC convened on 7 and 8 February in Brussels and Geneva for its **annual trade seminar**. In the first part of the seminar, EFTA parliamentarians discussed Europe's response to the controversial



Trine Lise Sundnes, Chair of the EFTA Parliamentary Committee, shares her main takeaways from the meeting between the EEA EFTA Ministers and the advisory bodies in November.

US Inflation Reduction Act (IRA) with Ms Miapetra Kumpula-Natri, Vice Chair of the European Parliament delegation for relations with the United States, and Mr Milan Elkerbout, Research Fellow at the Centre for European Policy Studies (CEPS). In the context of the EU's ambition to become more strategic and autonomous, the EFTA PC also discussed the sourcing of raw materials that are critical to sustaining the digital transition, reflecting on the challenges and way forward with Ms Hildegard Bentele MEP. Lastly, in preparation for their delegation visit to India, the parliamentarians were briefed by Ms Stefania Benaglia, Head of the Foreign Policy Unit at CEPS, and by the EFTA spokesperson on the EFTA–India negotiations.

The second part of the seminar was held jointly with the EFTA CC. Delegates had the privilege of discussing the challenges of multilateral trade with WTO Director-General Dr Ngozi Okonjo-Iweala, and took stock of recent developments in EFTA's third-country relations with EFTA's Committee on Third-Country Relations.



Trine Lise Sundnes, Chair of the EFTA Parliamentary Committee, and Piyush Goyal, Minister of Commerce and Industry of India.



The EFTA Parliamentary Committee's visit to India in April.

From 17 to 21 April, a delegation from the EFTA PC undertook a working visit to India, with the aim of giving political momentum to negotiations on a trade agreement between EFTA and India that started 15 years ago. They met with Mr Piyush Goyal, Minister of Commerce and Industry of India, and Mr Om Birla, Speaker of the Lok Sabha (House of the People, Lower House of India's Parliament), as well as with representatives of the Ministry for External Affairs, business, trade unions and civil society organisations.



Joint meeting between the EFTA advisory bodies and delegations from Moldova and Singapore.

On 22 May, the EFTA PC met virtually with Mr Taras Kachka, Deputy Minister of Economy of Ukraine. The aim of the meeting was to discuss the prospect of modernising the EFTA–Ukraine FTA, which entered into force in 2012, and the ambition to strengthen the long-term resilience of Ukraine's economy in wartime.

On 27 June, on the margins of the EFTA Ministerial meeting, the EFTA PC met with both the Prime Minister and the Minister of Economic Development of Moldova and congratulated them on the conclusion of the FTA negotiations. This was followed by a meeting with the Minister-in-charge of Trade Relations of Singapore to take stock of progress in negotiations on a digital economy agreement. The Committee also met with Mr Norbert Lins, Chair of the Committee on Agriculture and Rural Development of the European Parliament, to evaluate the EU's approach to economic and trade support to Ukraine.

On 20 and 21 November, on the margins of the EEA Council, the EFTA PC discussed the EU's Global Gateway and Economic Security Strategy, the outlook for the European elections, the prospect of EU enlargement and institutional reform, and the regulation of artificial intelligence both in Europe and beyond.

### Joint meetings with the European Parliament – EEA cooperation

The first meeting of the EEA JPC in 2023 was held on 15 and 16 March at the seat of the European Parliament in Strasbourg. The Committee discussed the latest EEA developments with representatives of the EEA governing bodies, including the outlook regarding support to Ukraine, the competitiveness of the EEA against the backdrop of the US IRA, the reform of the electricity market design, the Single Market Emergency Instrument and the proposal on prohibiting products in the EEA made using forced labour.



59th meeting of the EEA Joint Parliamentary Committee, Strasbourg, March. © European Union 2023, Source: EP





59th meeting of the EEA Joint Parliamentary Committee, Strasbourg, 15 March.



59th meeting of the EEA Joint Parliamentary Committee, Strasbourg, 16 March.



60th meeting of the EEA Joint Parliamentary Committee in Vaduz in December.

The second meeting took place on 15 December in Vaduz. Members were welcomed with an address by Ms Graziella Marok-Wachter, Minister of Infrastructure and Justice of Liechtenstein. They reviewed the latest EEA developments with the EFTA Standing Committee Chair, the Spanish Presidency and the European Commission, and subsequently adopted their annual **resolution** on the functioning of the EEA Agreement. Other items on the agenda were the prevention of the circumvention of sanctions against Russia and Belarus, the Net Zero Industry Act and the Critical Raw Materials Act. Both meetings were co-chaired by Ms Trine Lise Sundnes, President of the EEA JPC, and Mr Andreas Schwab, Vice President of the EEA JPC.

## The EFTA Consultative Committee

The EFTA CC was chaired by Ms Kristin Hansen from the Norwegian employees in 2023. See the **appendices** for the full list of members.

Among the issues highlighted in the 2023 **work programme** were:

- > The changing geopolitical context and its effects on EFTA trade cooperation. The Committee highlighted three core issues in this regard: i) trade and climate change; ii) the regionalisation of trade; and iii) trade and security.
- > The increasingly horizontal nature of EEA cooperation. There has at times been a lack of clarity on which EU legal acts are purely Single Market related and what stands outside the EEA Agreement. This has had an impact on the social partners in the EEA EFTA States.

For a more detailed overview, see the **review of the work of the EFTA CC in 2023**.



Chair of the EFTA Consultative Committee, Kristin Hansen, WTO Director-General Ngozi Okonjo-Iweala, and Chair of the EFTA Parliamentary Committee, Trine Lise Sundnes, in Geneva in February.

## Main meetings in 2023

The first meetings of the year were held on 7 and 8 February in Geneva, where the Committee met with several high-level officials such as the Director-General of the WTO, the Director of Research of the International Labour Organization and the US Ambassador to the WTO. In tandem with these meetings, the EFTA CC also met with the EFTA Permanent Representatives to the WTO and high-level officials from the Committee on Third-Country Relations.

The next meetings took place on 13 April in Brussels, where the focus was on EEA cooperation. Members met with the EFTA Standing Committee to discuss the latest developments and future perspectives for the EEA and EFTA's relations with the EU. That same day, the Committee hosted a seminar with the relevant EFTA working groups.

On the margins of the annual EFTA summer Ministerial meeting, held on 27 June in Schaan, the EFTA CC convened both independently and jointly with the EFTA parliamentarians.



Meeting of the EFTA Consultative Committee, chaired by Kristin Hansen, in April.

The Committee met again on 12 September for a virtual meeting to discuss the EU's new Economic Security Strategy with a Commission representative, and to continue discussions on the future of EFTA trade cooperation in a changing geopolitical context.

At the EFTA CC meeting on 21 November, a new Chair and Bureau were elected, and a new rotation system was adopted for 2024–2029. It was decided that the Icelandic employers would chair the Committee in 2024, represented by Ms Sigríður Mogensen from the Federation of Icelandic Industries. Members further discussed and subsequently approved a new work programme and [preliminary meeting schedule](#) for 2024.

On 11 December, in its final meeting for 2023, the EFTA CC took stock of its work throughout the year and adopted a [review report](#) for 2023.



Social partners at the annual plenary session of the EEA Consultative Committee in March.



The EFTA Parliamentary Committee and EFTA Consultative Committee met with the EEA EFTA Foreign Ministers in November before the Ministers' meeting with their EU counterparts at the EEA Council.

### Joint work with the EU

The EEA CC is made up of members of the EFTA CC from Iceland, Liechtenstein and Norway and members of the EESC. Whilst the EEA CC normally meets once a year, exceptionally it met twice in 2023.

The plenary meeting with the EU social partners took place on 14 and 15 March in Stockholm, where the EEA CC agreed upon two resolutions and reports:

- > **Energy resilience in the EEA in view of the geopolitical landscape**, authored by Ms Nora Hansen from the EFTA side and Ms Alena Mastantuono from the EESC, with support from EESC advisor Ms Tellervo Kylä-Harakka-Ruonala
- > **Future cooperation of the European Political Community**, authored by Dr István Komoróczki from the EESC and Mr Jarle Hammerstad from the EFTA side

### The EEA EFTA Forum

The EEA EFTA Forum of Elected Representatives of Local and Regional Authorities was established by the EFTA Standing Committee in 2009 as an informal body to involve elected representatives from local authorities and regions in EEA matters.



Local and regional politicians from Iceland, Norway and Switzerland meeting in Saignelégier in Jura, Switzerland in May.

It has 12 members (six from Iceland and six from Norway) and Switzerland participates as a permanent observer. Ms Rósa Guðbjartsdóttir from the Icelandic delegation chaired the Forum in 2023.

See [appendices](#) for all members of the EEA EFTA Forum.

The Forum held two meetings in 2023, the first in Jura, Switzerland, in May and the second in Brussels in December. Its members discussed EEA matters related to the local and regional dimension such as digitalisation and various green initiatives of the EU.

**Advisory bodies and the EEA**

EFTA has three advisory bodies which provide advice to the EFTA Member States on all issues relevant to the organisation. One of their core competences is to advise the governments of the EEA EFTA States on matters related to the EEA Agreement. Swiss members are observers when EEA matters are discussed.

The three EEA EFTA States (Iceland, Liechtenstein and Norway) established economic and trade cooperation with the EU through the EEA Agreement. It brings these three EEA EFTA States together with the EU Member States in the EU Internal Market which is underpinned by the free movement of goods, capital, services, and persons.

The EFTA advisory bodies are an essential communication channel with the political, economic, social, and civil society circles in EFTA Member States. They also bring EEA policies and initiatives closer to the citizens of the EEA EFTA States and thereby increase the democratic accountability and legitimacy of the organisation.

Three bodies have an advisory role to the EEA EFTA institutional structure:

- The EFTA Parliamentary Committee**
- The EFTA Consultative Committee**
- The EEA EFTA Forum**

**The EEA and parliamentary scrutiny**

EFTA EFTA Parliamentarians regularly exchange views with the EEA governing bodies responsible for the good functioning of the EEA Agreement. Once a year they meet with the EEA EFTA Foreign Affairs Ministers in an EEA EFTA State and once in Strasbourg at the seat of the European Parliament to discuss cooperation with the EU and the challenges regarding the EEA implementation. The EEA EFTA parliamentarians also address an Opinion on the budget of the EFTA Surveillance Authority for the following year.

The EEA Agreement establishes an EEA joint Parliamentary Committee (EEA JPC) composed of an equal number of Members of the European Parliament and of EEA EFTA parliamentarians. It meets twice a year, once in an EEA EFTA State and once in Strasbourg at the seat of the European Parliament. Representatives of both the EEA Council and the EEA joint Committee report upon developments in the EEA and are accountable to the EEA JPC.

The joint committee scrutinises EU policy developments and their potential impact on the EEA Agreement. Its mandate is to



# The Secretariat

EFTA staff at the annual staff seminar in Luxembourg.

The EFTA Secretariat is a committed and trusted partner, providing high quality expertise and advice to its Member States in promoting free trade and economic integration. At the end of 2023, a total of 91 staff members were employed in the Secretariat's three duty stations in Geneva, Brussels and Luxembourg. While each duty station has a different focus, reflecting the different activities of the organisation, they all work together as one, in alignment with EFTA's mission, vision and values.

At the end of 2023, the Secretariat employed a total of **14** different nationalities, including **68** EFTA nationals

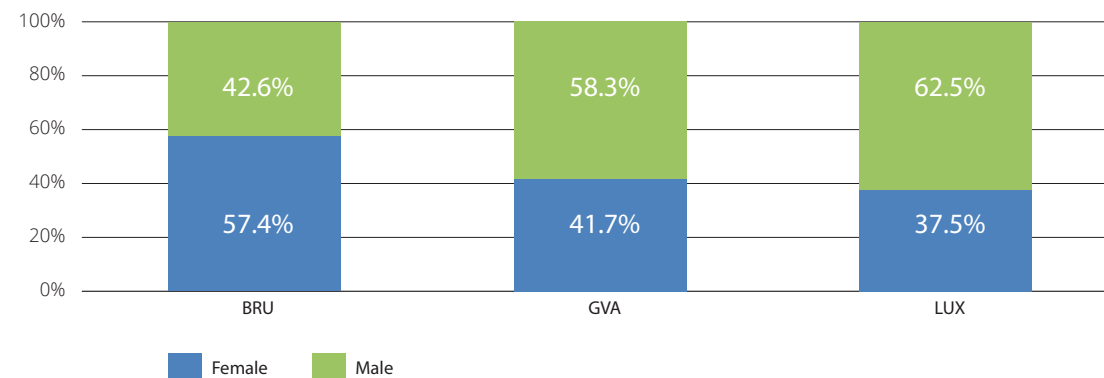
Forming the foundation of the EFTA culture, the values of the Association (professionalism, cooperation, trust, responsibility and respect) underpin an efficient and harmonious organisation, which provides valuable services to the Member States.

The Secretariat prides itself on being a workplace of equality, diversity and inclusion, and mutual respect among employees, who shall be treated fairly and enjoy equal opportunities. The Secretariat has a **Gender Equality Policy** that aims to ensure equal conditions and opportunities for employees at the Secretariat.

The EFTA Secretariat is a great place to work, and offers a dynamic and supportive environment to its highly skilled professionals. EFTA offers many opportunities for staff members to develop their potential and grow as professionals and individuals.

In 2023, the Human Resources team advertised 30 jobs at EFTA, received 2 648 applications and conducted 117 interviews.

Fig. 5 – Gender ratios in the Secretariat



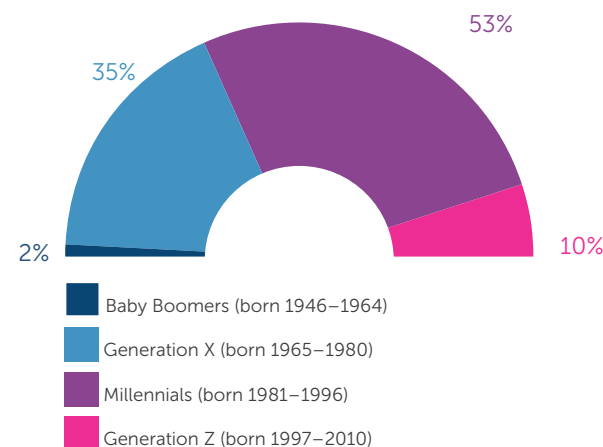
Gender balance of all staff members:

**52%** female, **48%** male

Gender balance in management roles:

**50%** female, **50%** male

Fig. 6 – Generations at EFTA



The **average age** at the Secretariat is **39.9** years and the **average tenure** is **4.5** years

Duty station	Focus
Geneva – Headquarters	Negotiation and management of FTAs with non-EU countries, and support to the EFTA Council
Brussels	Support in the management of the EEA Agreement and assistance to Member States in preparing new legislation for incorporation into the Agreement
Luxembourg – EFTA Statistical Office	Contribution to the development of a broad and integrated European Statistical System

## Junior Professional Programme

Every year, EFTA offers exciting opportunities to motivated, well-educated people in the early stages of their professional lives, equipping them with valuable experience to further develop their careers. Junior Professionals bring valuable contributions to the work of the Secretariat for the 11 months they spend within the organisation. In September 2023, nine motivated new colleagues joined EFTA as Junior Professionals, and one colleague joined as a short-term expert.

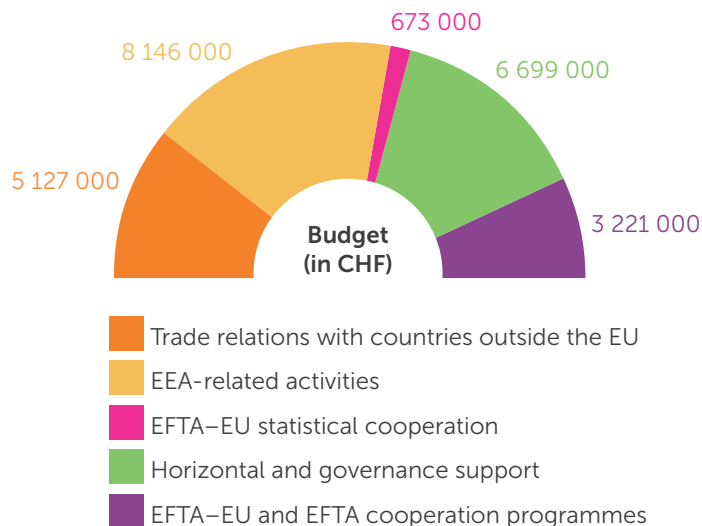


EFTA Junior Professionals in Brussels: Andrijana Zivic, Lucie Simonutti-Calanca, Tensaye Alemu, Tor Dahl and Ingrid Edvardsen.

## Budget and Annual Financial Reporting

The Secretariat’s budget is prepared in line with the framework budgeting principle used by the Member States’ public administrations to increase awareness of budgetary spending at all levels. The budget is accompanied by a performance plan describing the main objectives and expected outcomes of the services provided by the Secretariat to the Member States. Both the plan and subsequent performance reports keep the EFTA States informed of the Secretariat’s performance in various activities, ensuring full transparency. EFTA’s budget is prepared in two currencies: Swiss francs (CHF) and euro (EUR). The total budget for 2023 was equivalent to CHF 23 867 000. The Secretariat’s annual statement of accounts, prepared according to the International Public Sector Accounting Standards (IPSAS), is published on the EFTA website once the relevant Council procedures for that year have been finalised.

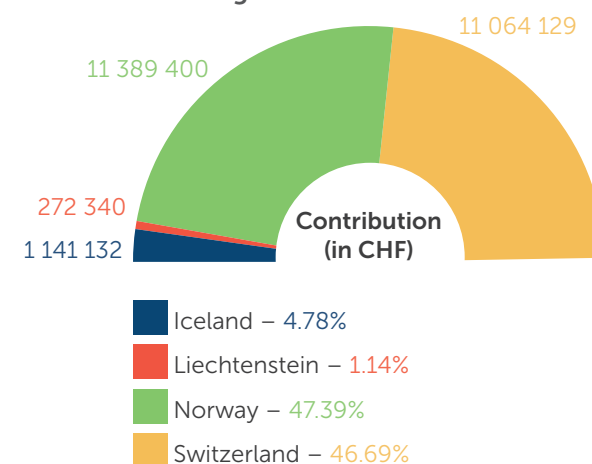
Fig. 7 – 2023 EFTA budget



## The EFTA Board of Auditors

The EFTA Board of Auditors (EBOA) is the auditing authority of EFTA. It is a permanent committee which, in cooperation with external auditors, performs annual audits of the three EFTA institutions: the EFTA Secretariat, the EFTA Surveillance Authority (ESA) and the EFTA Court. For matters relating to the Secretariat, EBOA meets at four (one representative from each EFTA State) and reports directly to the EFTA Council. For matters relating to the EEA Agreement (ESA and the EFTA Court), EBOA meets at three (Iceland, Liechtenstein and Norway) and reports to the ESA/Court Committee. EBOA works in cooperation with the European Court of Auditors.

Fig. 8 – Contributions from the EFTA States to the 2023 EFTA budget





# EFTA in Figures

**Fig. 9 – EFTA's FTA network – merchandise trade: 2022** (in million EUR)

	Total trade	Exports	Imports	Trade balance
<b>EFTA's 40 FTA partners outside the EU*</b>	<b>128 746</b>	<b>69 198</b>	<b>59 548</b>	<b>9 650</b>
Albania	105	68	37	30
Bosnia and Herzegovina	343	137	206	-70
Canada	14 832	5 311	9 521	-4 210
Central American States	959	584	376	208
Costa Rica	471	258	213	45
Guatemala	169	73	96	-24
Panama	319	253	67	186
Chile	1 678	547	1 132	-585
Colombia	1 524	615	909	-294
Ecuador	672	129	543	-414
Egypt	1 782	1 666	116	1 549
Georgia	199	106	94	12
Gulf Cooperation Council	24 948	14 289	10 658	3 631
Bahrain	379	283	96	187
Kuwait	681	549	132	417
Oman	324	264	61	203
Qatar	2 496	2 095	400	1 695
Saudi Arabia	5 871	4 970	901	4 069
United Arab Emirates	15 197	6 128	9 068	-2 940
Hong Kong, China	11 280	7 351	3 930	3 421
Indonesia	3 109	669	2 440	-1 771

	Total trade	Exports	Imports	Trade balance
Israel	2 286	1 496	791	705
Jordan	1 116	1 085	31	1 054
Republic of Korea	8 445	5 195	3 250	1 946
Lebanon	817	663	154	509
Mexico	4 666	1 992	2 675	-683
Montenegro	47	43	4	39
Morocco	1 046	449	597	-148
North Macedonia	182	81	101	-20
Palestinian Authority	76	75	1	73
Peru	2 832	156	2 676	-2 520
Philippines	4 194	435	3 760	-3 325
Serbia	945	587	358	229
Singapore	15 860	10 359	5 501	4 858
Southern African Customs Union	6 984	789	6 195	-5 406
Botswana	63	40	24	16
Eswatini	11	3	8	-5
Lesotho	3	0	3	-3
Namibia	53	20	33	-13
South Africa	6 855	727	6 128	-5 401
Tunisia	514	209	305	-96
Türkiye	16 427	13 466	2 961	10 506
Ukraine	877	648	228	420

Source: Eurostat

\* At the time of publication, the FTA signed with Moldova in 2023 has not yet entered into force.

**Fig. 10 – Global leaders in merchandise trade: 2022** (in billion USD)

Rank	Economy	Total	Share (as % of world total)	Exports	Imports
1	China	6 310	15.1	3 594	2 716
2	EU <sup>[1]</sup>	5 858	14.0	2 704	3 155
3	United States	5 441	13.0	2 065	3 376
4	Japan	1 644	3.9	747	897
5	Republic of Korea	1 415	3.4	684	731
6	United Kingdom	1 353	3.2	529	824
7	Hong Kong, China	1 277	3.1	610	668
8	Mexico	1 205	2.9	578	626
9	Canada	1 179	2.8	597	582
10	India	1 177	2.8	453	723
11	EFTA	1 131	2.7	659	472
12	United Arab Emirates <sup>[2]</sup>	1 023	2.4	599	425
13	Singapore	991	2.4	516	476
14	Chinese Taipei	914	2.2	478	436
15	Russian Federation <sup>[2][3]</sup>	772	1.8	532	240
16	Vietnam	731	1.7	371	359
17	Australia	721	1.7	412	309
18	Malaysia	647	1.5	353	294
19	Brazil	626	1.5	334	292
20	Türkiye	618	1.5	254	364
	Top 20 combined <sup>[4]</sup>	35 034	84	17 068	17 965
	World <sup>[4]</sup>	41 774	100	20 460	21 313

Source: WTO Trade Statistical Review 2023

[1] Excludes intra-EU trade.

[2] WTO Secretariat estimates.

[3] Imports are value free-on-board.

[4] Includes significant re-exports or imports for re-export.



**Fig. 11 – Global leaders in commercial services trade: 2022** (in billion USD)

Rank	Economy	Total	Share (as %) of world total	Exports	Imports
1	EU <sup>[1]</sup>	2 599	23.5	1 377	1 223
2	United States	1 571	14.2	900	671
3	China	884	8.0	422	461
4	United Kingdom	805	7.3	492	313
5	India	557	5.0	309	249
6	Singapore	549	5.0	291	258
7	EFTA	417	3.8	202	215
8	Japan	371	3.3	163	207
9	Republic of Korea	267	2.4	132	135
10	Canada	257	2.3	122	135
11	United Arab Emirates <sup>[2]</sup>	249	2.2	154	95
12	Hong Kong, China <sup>[3]</sup>	146	1.3	83	63
13	Israel	134	1.2	91	43
14	Türkiye	129	1.2	90	39
15	Russian Federation	118	1.1	48	70
16	Brazil	116	1.1	39	78
17	Australia	112	1.0	50	62
18	Chinese Taipei	103	0.9	58	45
19	Thailand	103	0.9	40	62
20	Saudi Arabia	101	0.9	31	70
	Top 20 combined	9 589	87	5 095	4 494
	World	11 067	100	5 754	5 313

Source: WTO Trade Statistical Review 2023

[1] Excludes intra-EU trade.

[2] Preliminary estimates for 2022.

[3] WTO Secretariat estimates.

**Fig. 12 – EFTA: a major trading partner for the EU<sup>[1]</sup>** (in million EUR and %)

Merchandise trade: 2022						
Rank	Partner	Export	Import	Total trade	Balance	As % of EU's external trade
	Extra-EU27 <sup>[1]</sup>	2 572 131	3 006 697	5 578 828	-434 567	100.0
1	United States	509 025	359 288	868 313	149 736	15.6
2	China	230 491	627 272	857 763	-396 781	15.4
3	EFTA	261 616	312 520	574 136	-50 904	10.3
4	United Kingdom	328 864	217 347	546 211	111 517	9.8
5	Russian Federation	55 014	202 658	257 672	-147 644	4.6
	Rest of the world			2 474 733		44.36

Trade in commercial services: 2022						
Rank	Partner	Export	Import	Total trade	Balance	As % of EU's external trade
	Extra-EU27 <sup>[1]</sup>	1 361 124	1 155 196	2 516 319	205 927.9	100.0
1	United States	299 227	396 175	695 403	-96 948	27.6
2	United Kingdom	256 569	210 627	467 197	45 941.9	18.6
3	EFTA	179 796	102 430	282 225	77 366	11.2
4	China	64 669	48 294	112 962	16 375.4	4.5
5	Singapore	36 445	41 109	77 554	-4 664	3.1
	Rest of the world			880 979		35.0

Source: Eurostat

[1] Extra-EU trade includes imports/exports of goods and services that enter or leave the statistical territory of the EU from a third country.

**Fig. 13 – EFTA’s merchandise trade: 2022** (in million EUR and %)

Country	Total trade	Total trade with EU27	EU27 share of total trade (%)	Total exports to the world	Exports to the EU27	EU share of total exports (%)	Total imports from the world	Imports from EU27	EU share of total imports (%)
Switzerland <sup>[1][2]</sup>	719 300	324 850	45.2	381 226	155 859	40.9	338 074	168 992	50.0
Norway	359 437	232 681	64.7	257 896	176 134	68.3	101 541	56 547	55.7
Iceland	15 932	8 642	54.2	7 014	4 637	66.1	8 918	4 006	44.9
Liechtenstein <sup>[2]</sup>	5 237	3 539	67.6	3 345	2 057	61.5	1 892	1 482	78.3
<b>EFTA total</b>	<b>1 099 905</b>	<b>569 713</b>	<b>51.8</b>	<b>649 481</b>	<b>338 687</b>	<b>52.1</b>	<b>450 424</b>	<b>231 026</b>	<b>51.3</b>

Share of total trade (%)	EU27		EFTA FTAs		Rest of the world	
	Import	Export	Import	Export	Import	Export
Iceland	44.9	66.1	7.7	3.0	33.9	25.1
Liechtenstein <sup>[2]</sup>	78.3	61.5	3.5	9.7	18.1	28.2
Norway	55.7	68.3	9.7	2.9	33.4	28.3
Switzerland <sup>[1][2]</sup>	50.0	40.9	14.5	16.1	35.4	42.8
<b>EFTA total</b>	<b>51.3</b>	<b>52.1</b>	<b>13.2</b>	<b>10.7</b>	<b>34.8</b>	<b>36.8</b>

Source: Eurostat (COMEXT)

[1] Trade in non-monetary gold included.

[2] Trade between Liechtenstein and Switzerland is not included due to the existence of the Switzerland–Liechtenstein Customs Union.

**Fig. 14 – EFTA merchandise trade with the EU: 2022** (in million EUR)

Partner	EFTA			Iceland			Liechtenstein			Norway			Switzerland		
	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade
EU27	338 687	231 026	569 713	4 637	4 006	8 642	2 057	1 482	3 539	176 134	56 547	232 681	155 859	168 992	324 850
Austria	11 099	12 197	23 296	2	63	65	354	323	677	463	712	1 176	10 279	11 099	21 378
Belgium	24 395	6 694	31 088	83	134	217	12	7	19	19 532	2 127	21 659	4 768	4 426	9 193
Bulgaria	598	617	1 214	1	10	11	13	7	20	51	125	177	533	474	1 007
Croatia	395	452	846	0	5	6	1	28	29	78	89	167	316	329	645
Cyprus	159	66	224	2	1	3	1	0	1	38	54	93	117	10	128
Czechia	2 377	4 427	6 804	7	89	96	7	37	45	295	1 288	1 583	2 068	3 013	5 081
Denmark	7 565	6 202	13 767	179	493	672	3	7	11	6 211	4 700	10 911	1 171	1 002	2 173
Estonia	511	933	1 445	3	64	67	0	1	1	231	750	982	276	118	395
Finland	6 655	3 883	10 538	27	86	114	22	18	39	5 928	2 324	8 252	678	1 455	2 133
France	44 941	24 944	69 885	447	235	682	207	27	234	24 333	2 835	27 169	19 954	21 847	41 801
Germany	124 737	79 190	203 927	456	748	1 203	1 121	787	1 909	72 054	11 583	83 637	51 106	66 072	117 178
Greece	1 177	344	1 522	13	7	20	2	0	2	434	104	539	728	233	961
Hungary	1 377	2 255	3 632	40	28	68	51	43	94	135	526	660	1 151	1 659	2 810
Ireland	1 961	4 720	6 681	28	151	179	6	1	7	598	561	1 159	1 329	4 008	5 337
Italy	26 359	26 581	52 940	40	232	272	87	66	153	2 283	2 716	4 999	23 949	23 567	47 516
Latvia	340	612	951	17	69	86	0	0	0	163	461	623	160	82	242
Lithuania	2 147	1 659	3 806	46	120	167	1	0	1	1 938	1 250	3 188	162	289	451
Luxembourg	384	400	783	0	12	13	1	3	4	32	121	153	350	263	614
Malta	173	46	219	6	3	9	1	0	1	8	12	20	158	31	190
Netherlands	26 039	10 563	36 601	2 639	635	3 274	18	37	55	16 563	4 300	20 862	6 819	5 591	12 410
Poland	9 035	6 813	15 848	133	210	343	56	36	92	5 921	3 469	9 390	2 925	3 097	6 022
Portugal	1 942	1 681	3 622	107	37	144	1	2	3	748	450	1 199	1 086	1 191	2 276
Romania	1 962	1 526	3 488	1	25	27	7	5	13	205	510	715	1 748	986	2 734
Slovakia	862	1 483	2 345	12	52	65	8	18	26	112	351	463	730	1 061	1 791
Slovenia	11 512	6 896	18 408	0	27	28	2	7	9	34	189	223	11 476	6 673	18 149
Spain	12 698	11 138	23 835	298	128	426	29	10	38	2 345	2 079	4 424	10 025	8 921	18 946
Sweden	17 288	14 706	31 995	48	342	389	46	10	56	15 399	12 860	28 259	1 796	1 494	3 290

Source: Eurostat

**Fig. 15 – EFTA's top 25 trading partners in merchandise trade: 2022** (in million EUR and %)

Rank	Economy	Total trade	Share (%)	Export	Share (%)	Import	Share (%)	Trade balance
	World	1 099 905	100.0	649 481	100.0	450 424	100.0	199 056
	– EFTA's 40 FTA partners*	128 746	11.7	69 198	10.7	59 548	13.2	9 650
	– Intra-EFTA	5 724	0.5	2 685	0.4	3 038	0.7	-353
1	EU27	569 713	51.8	338 687	35.6	231 026	51.3	107 661
2	United States	111 423	10.1	68 004	6.7	43 418	9.6	24 586
3	United Kingdom	86 519	7.9	68 350	2.8	18 169	4.0	50 182
4	China	81 636	7.4	47 568	5.2	34 069	7.6	13 499
5	India	18 669	1.7	14 799	0.6	3 870	0.9	10 928
6	Japan	17 627	1.6	10 435	1.1	7 192	1.6	3 242
7	Thailand	10 767	1.0	6 648	0.6	4 119	0.9	2 529
8	Brazil	6 973	0.6	3 340	0.6	3 633	0.8	-294
9	Russian Federation	6 838	0.6	3 257	0.6	3 582	0.8	-325
10	Australia	6 305	0.6	2 888	0.5	3 417	0.8	-529
11	Chinese Taipei	5 401	0.5	2 890	0.4	2 510	0.6	380
12	Uzbekistan	3 764	0.3	112	0.6	3 653	0.8	-3 541
13	Vietnam	3 702	0.5	792	0.4	2 910	0.6	-2 119
14	Kazakhstan	3 409	0.3	468	0.5	2 942	0.7	-2 830
15	Ghana	3 320	0.3	113	0.4	3 207	0.7	-2 416
16	Malaysia	3 052	0.3	1 559	0.5	1 493	0.3	-1 026
17	Burkina Faso	2 876	0.3	8	0.5	2 869	0.6	-2 756
18	Nigeria	2 777	0.3	1 898	0.2	879	0.2	680
19	Argentina	1 991	0.3	852	0.4	1 139	0.3	-1 131
20	Bangladesh	1 609	0.3	138	0.1	1 471	0.3	428
21	Côte d'Ivoire	1 443	0.2	63	0.2	1 380	0.3	-528
22	Mali	1 217	0.1	11	0.2	1 206	0.3	-1 068
23	Suriname	1 168	0.1	3	0.2	1 164	0.3	-1 101
24	Dominican Republic	1 149	0.1	108	0.2	1 042	0.2	-1 031
25	Mongolia	891	0.1	23	0.2	868	0.2	-865
	Rest of the world	11 195	1.0	4 585	0.7	6 610	1.5	-2 025

Source: Eurostat

\* EFTA's 40 FTA partners (excluding the EU) include: Albania, Bosnia and Herzegovina, Canada, Central American States (comprising Costa Rica, Guatemala and Panama), Chile, Colombia, Ecuador, Egypt, Georgia, Gulf Cooperation Council (GCC, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates), Hong Kong China, Indonesia, Israel, Jordan, Lebanon, North Macedonia, Mexico, Montenegro, Morocco, Palestinian Authority, Peru, Philippines, Republic of Korea, Serbia, Singapore, Southern African Customs Union (SACU, comprising Botswana, Eswatini, Lesotho, Namibia and South Africa), Tunisia, Türkiye and Ukraine.

Fig. 16 – EFTA States' top five trading partners: 2022 (as %)

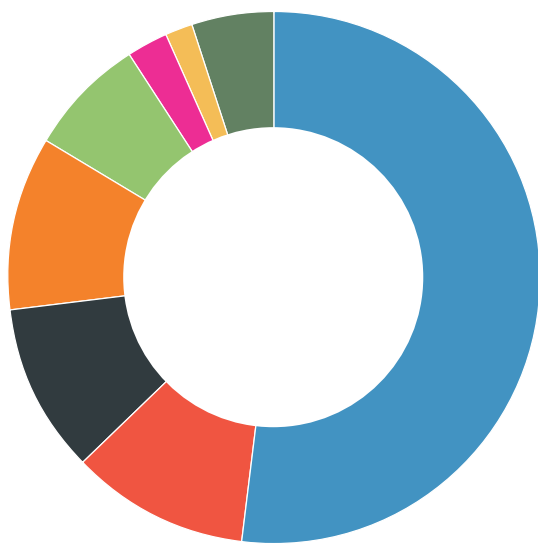
Top trading partners	Import		Export		Top trading partners	Import		Export	
	Partner	Share (%)	Partner	Share (%)		Partner	Share (%)	Partner	Share (%)
Iceland	Norway	12.6	Netherlands	37.6	Switzerland	Germany	19.5	United States	16.3
	China	9.6	United Kingdom	8.9		United States	10.8	Germany	13.4
	Germany	8.4	United States	7.7		Italy	7.0	China	11.0
	Netherlands	7.1	Germany	6.5		France	6.5	Italy	6.3
	Denmark	5.5	France	6.4		China	6.1	France	5.2
	<b>Total</b>	<b>43.3</b>	<b>Total</b>	<b>67.2</b>		<b>Total</b>	<b>49.9</b>	<b>Total</b>	<b>52.2</b>
	Rest of the world	56.7	Rest of the world	32.8		Rest of the world	50.1	Rest of the world	47.8
Liechtenstein	Germany	41.6	Germany	33.5	EFTA	Germany	17.6	Germany	19.2
	Austria	17.1	United States	12.2		United States	9.6	United Kingdom	10.5
	China	7.9	Austria	10.6		China	7.6	United States	10.5
	United States	3.9	China	6.7		Italy	5.9	China	7.3
	Italy	3.5	France	6.2		France	5.5	France	6.9
	<b>Total</b>	<b>73.9</b>	<b>Total</b>	<b>69.2</b>		<b>Total</b>	<b>46.2</b>	<b>Total</b>	<b>54.4</b>
Rest of the world	26.1	Rest of the world	30.8	Rest of the world	53.8	Rest of the world	45.6		
Norway	Sweden	12.7	Germany	27.9					
	China	12.4	United Kingdom	21.4					
	Germany	11.4	France	9.4					
	United States	6.2	Belgium	7.6					
	Denmark	4.6	Netherlands	6.4					
	<b>Total</b>	<b>47.2</b>	<b>Total</b>	<b>72.7</b>					
Rest of the world	52.8	Rest of the world	27.3						

Source: Eurostat

EFTA Member State

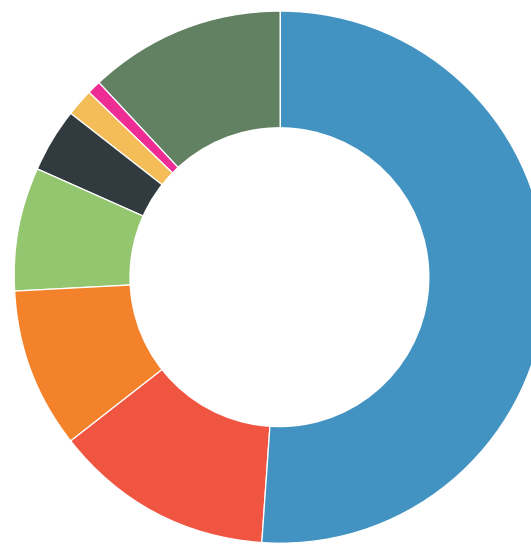
EU27 Member State

Fig. 17 – EFTA’s top export destinations of merchandise trade: 2022



<b>52.1%</b> EU27	<b>7.3%</b> China
<b>10.7%</b> FTA partners	<b>2.3%</b> India
<b>10.5%</b> United Kingdom	<b>1.6%</b> Japan
<b>10.5%</b> United States	<b>5.0%</b> Rest of the world

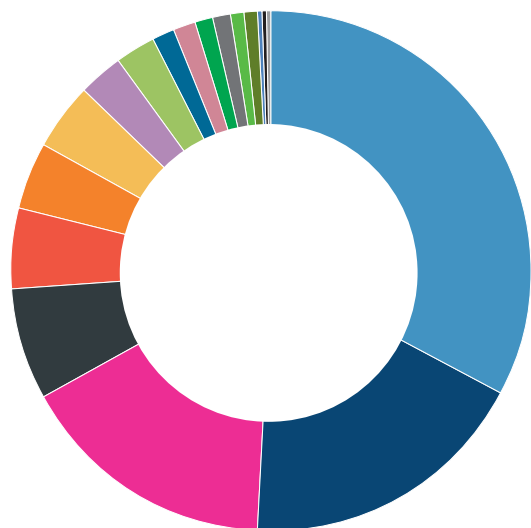
Fig. 18 – EFTA’s top import sources of merchandise trade: 2022



<b>51.3%</b> EU27	<b>4.0%</b> United Kingdom
<b>13.2%</b> FTA partners	<b>1.6%</b> Japan
<b>9.6%</b> United States	<b>0.9%</b> Thailand
<b>7.6%</b> China	<b>11.7%</b> Rest of the world

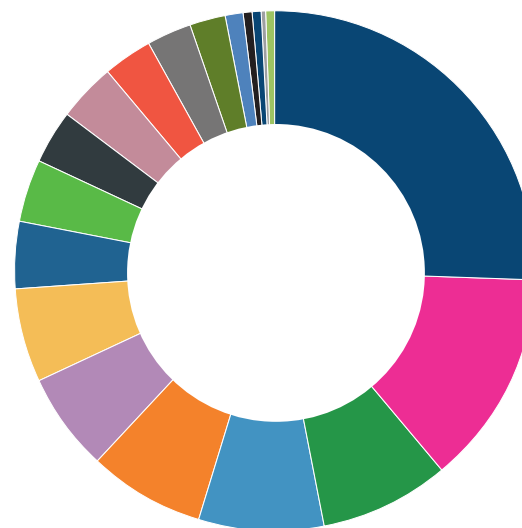
Source: Eurostat (COMEXT), excluding intra-EFTA trade

Fig. 19 – EFTA’s key exports by commodity: 2022



<b>32.9%</b> Mineral products	<b>1.3%</b> Plastic, rubber, raw hides and skins, leather, etc.
<b>18.0%</b> Articles of stone, plaster, cement and ceramic products	<b>1.3%</b> Vehicles, aircraft, etc.
<b>16.1%</b> Chemical products	<b>1.1%</b> Prepared foodstuff, beverage, etc.
<b>6.9%</b> Optical, photographic, cinematographic and instruments	<b>0.8%</b> Textiles and textile articles
<b>5.1%</b> Product of the chemical or allied industry	<b>0.7%</b> Wood and articles of wood and pulp of wood, etc.
<b>4.3%</b> Nuclear reactors, boilers, etc.	<b>0.5%</b> Fruit, coffee, cereals and other
<b>4.1%</b> Base metals and articles of base metals	<b>0.2%</b> Live animals and animal products
<b>2.6%</b> Electric motors and generators, etc.	<b>0.1%</b> Animal or vegetable fats and oils
<b>2.5%</b> Fish	<b>0.0%</b> Plants and vegetables
<b>1.5%</b> Arms and ammunition and various products	

Fig. 20 – EFTA’s key imports by commodity: 2022



<b>25.8%</b> Articles of stone, plaster, cement and ceramic products	<b>3.5%</b> Plastic, rubber, raw hides and skins, leather, etc.
<b>13.3%</b> Chemical products	<b>3.0%</b> Product of the chemical or allied industry
<b>7.9%</b> Vehicles, aircraft, etc.	<b>2.8%</b> Prepared foodstuff, beverage, etc.
<b>7.8%</b> Mineral products	<b>2.2%</b> Wood and articles of wood and pulp of wood, etc.
<b>7.4%</b> Nuclear reactors, boilers, etc.	<b>1.3%</b> Fruit, coffee, cereals and other
<b>6.2%</b> Electric motors and generators, etc.	<b>0.5%</b> Live animals and animal products
<b>5.7%</b> Base metals and articles of base metals	<b>0.5%</b> Plants and vegetables
<b>4.1%</b> Arms and ammunition and various products	<b>0.4%</b> Animal or vegetable fats and oils
<b>3.9%</b> Textiles and textile articles	<b>0.3%</b> Fish
<b>3.5%</b> Optical, photographic, cinematographic and instruments	

Source: Eurostat (COMEXT), excluding intra-EFTA trade



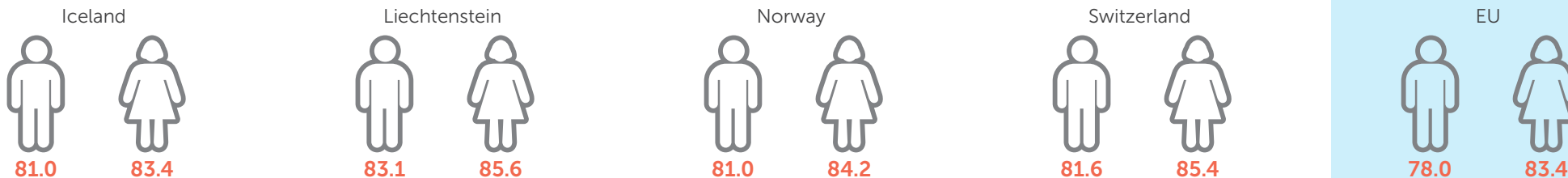
**Fig. 21 – EFTA States' top five trading commodities: 2022 (as %)**

Import			Export		
	Commodity	Share (%)		Commodity	Share (%)
Iceland	Vehicles, aircraft, etc.	14.0		Base metals and articles of base metals	46.7
	Mineral products	13.4		Fish	31.5
	Electric motors and generators, etc.	10.9		Prepared foodstuff, beverage, etc.	6.1
	Nuclear reactors, boilers, etc.	10.0		Animal or vegetable fats and oils	3.1
	Product of the chemical or allied industry	8.6		Mineral products	2.7
	<b>Total</b>	<b>57.1</b>		<b>Total</b>	<b>90.2</b>
	Other commodities	42.9		Other commodities	9.8
Liechtenstein	Base metals and articles of base metals	22.3		Base metals and articles of base metals	20.8
	Nuclear reactors, boilers, etc.	18.1		Nuclear reactors, boilers, etc.	13.4
	Articles of stone, plaster, cement and ceramic products	12.2		Electric motors and generators, etc.	11.9
	Electric motors and generators, etc.	8.4		Chemical products	11.3
	Vehicles, aircraft, etc.	8.0		Vehicles, aircraft, etc.	10.5
	<b>Total</b>	<b>69.0</b>		<b>Total</b>	<b>67.9</b>
	Other commodities	31.0		Other commodities	32.1
Norway	Vehicles, aircraft, etc.	15.0		Mineral products	79.1
	Mineral products	11.5		Fish	5.5
	Nuclear reactors, boilers, etc.	11.2		Base metals and articles of base metals	4.4
	Arms and ammunition and various products	9.2		Arms and ammunition and various products	2.1
	Electric motors and generators, etc.	8.9		Nuclear reactors, boilers, etc.	1.6
	<b>Total</b>	<b>55.8</b>		<b>Total</b>	<b>92.8</b>
	Other commodities	44.2		Other commodities	7.2
Switzerland	Articles of stone, plaster, cement and ceramic products	33.8		Articles of stone, plaster, cement and ceramic products	30.3
	Chemical products	15.6		Chemical products	26.6
	Mineral products	6.6		Optical, photographic, cinematographic and instruments	11.3
	Nuclear reactors, boilers, etc.	6.1		Product of the chemical or allied industry	7.9
	Vehicles, aircraft, etc.	5.5		Nuclear reactors, boilers, etc.	6.1
	<b>Total</b>	<b>67.7</b>		<b>Total</b>	<b>82.2</b>
	Other commodities	32.3		Other commodities	17.8
EFTA	Articles of stone, plaster, cement and ceramic products	25.8		Mineral products	32.9
	Chemical products	13.3		Articles of stone, plaster, cement and ceramic products	18.0
	Vehicles, aircraft, etc.	7.9		Chemical products	16.1
	Mineral products	7.8		Optical, photographic, cinematographic and instruments	6.9
	Nuclear reactors, boilers, etc.	7.4		Product of the chemical or allied industry	5.1
	<b>Total</b>	<b>62.2</b>		<b>Total</b>	<b>79.1</b>
	Other commodities	37.8		Other commodities	20.9

Source: Eurostat (COMEXT)

**Fig. 22 – Social indicators**

**Life expectancy at birth – 2022 (in years)**



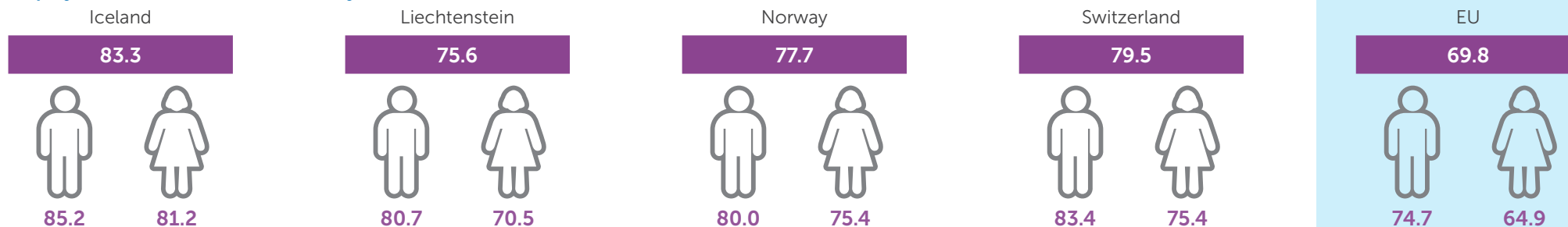
**Infant mortality rate (per 1 000 live births), 2021**



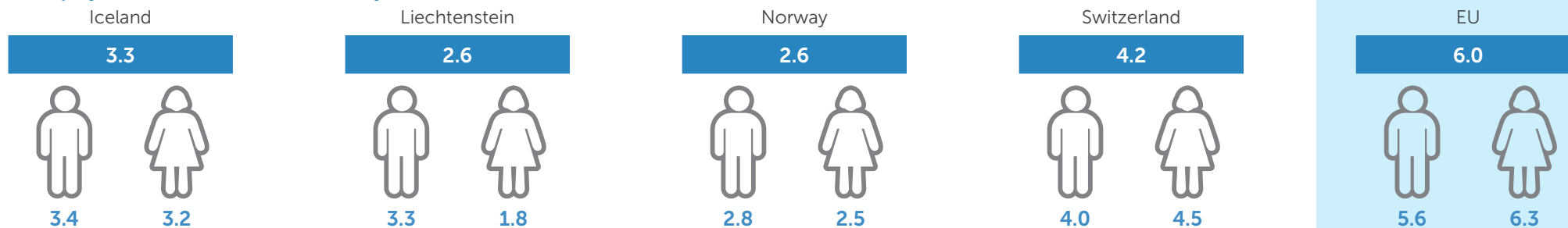
**Population growth rate, 2022–2023 (%)**



**Employment rate, 2022 (from 15 to 64 years)<sup>[1]</sup> (%)**



**Unemployment rate, 2022 (from 20 to 64 years)<sup>[2]</sup> (%)**



Sources: Eurostat and Amt für Statistik Liechtenstein

[1] Total employment (resident population concept – Labour Force Survey).

[2] Percentage of active population.



# Appendices

# EFTA's Worldwide Network (status on 31 December 2023)

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## Free Trade Agreements (FTA) in force

	Date of signature	2023 total import numbers (in million EUR)	2023 total export numbers (in million EUR)
Albania	17 December 2009	43	65
Bosnia and Herzegovina	24 June 2013	208	173
Canada	26 January 2008	2 766	4 558
Chile	26 June 2003	449	521
Colombia	25 November 2008	662	609
Costa Rica	24 June 2013	238	229
Ecuador	25 June 2018	132	129
Egypt	27 January 2007	137	1 378
Georgia	27 June 2016	16	116
Guatemala	24 June 2013	87	73
Gulf Cooperation Council	22 June 2009	1 999	8 260
Hong Kong, China	21 June 2011	1 357	6 031
Indonesia	16 December 2018	1 041	576
Israel	17 September 1992	459	1 274
Jordan	21 June 2001	57	293
Lebanon	24 June 2004	42	185
Mexico	27 November 2000	1 436	2 272
Moldova	27 June 2023	31	71
Montenegro	14 November 2011	4	52
Morocco	19 June 1997	488	459
North Macedonia	19 June 2000	103	101
Palestinian Authority	30 November 1998	2	72
Panama	24 June 2013	53	217
Peru	24 June 2010	311	148
Philippines	28 April 2016	303	394
Republic of Korea	15 December 2005	3 189	4 461
Serbia	17 December 2009	383	705
Singapore	26 June 2002	3 881	6 134
Southern African Customs Union	26 June 2006	831	729
Tunisia	17 December 2004	319	184
Türkiye	10 December 1991	2 844	3 294
Ukraine	24 June 2010	241	782

## Ongoing FTA negotiations

	Ongoing negotiations since
India	2008
Kosovo	2022
Malaysia	2014
Mercosur (Argentina, Brazil, Paraguay and Uruguay)	2017
Thailand	2022
Vietnam	2012

## FTA negotiations suspended or on hold

Algeria	Negotiations on hold since 2008
Russia / Belarus / Kazakhstan	Negotiations suspended since 2014
Honduras	Negotiations on hold since 2014

## Joint Declarations on Cooperation

	Date of signature
Mauritius	9 June 2009
Mongolia	28 June 2007
Myanmar	24 June 2013
Nigeria	12 December 2017
Pakistan	12 November 2012

## Individual EFTA States' free trade relations

China	FTAs with Iceland and Switzerland; FTA negotiations with Norway
Faroe Islands	FTAs with Iceland, Norway and Switzerland
Japan	FTA with Switzerland
United Kingdom	FTA with Switzerland and FTA with the EEA EFTA States

## Members of the EFTA Parliamentary Committee 2023

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### Iceland

Ingibjörg Ólöf Isaksen	Progressive Party – Head of the Icelandic delegation (Vice Chair)
Bjarkey Olsen Gunnarsdóttir	Left-Green Movement
Diljá Mist Einarsdóttir	Independence Party
Thorgerdur K. Gunnarsdóttir	Liberal Reform
Gísli Rafn Ólafsson	Pirate Party

### Alternate members

Birgir Pórarinsson	Independence Party
Jódís Skúladóttir	Left-Green Movement
Sigmar Guðmundsson	Reform Party
Stefán Vagn Stefánsson	Progressive Party
Arndís Anna Kristínardóttir Gunnarsdóttir	Pirate Party

### Liechtenstein

Manfred Kaufmann	Patriotic Union – Head of the Liechtenstein delegation (MPS Chair)
Daniel Seger	Progressive Citizens' Party

### Alternate members

Hubert Büchel	Patriotic Union
Karin Zech-Hoop	Progressive Citizens' Party

### Norway

Trine Lise Sundnes	Labour Party – Head of the Norwegian delegation
Sivert Bjørnstad	Progress Party
Heidi Nordby Lunde	Conservative Party
Per Olaf Lundteigen	Centre Party
Runar Sjøstad	Labour Party
Torgeir Knag Fylkesnes	Socialist Left Party

### Alternate members

Nikolai Astrup	Conservative Party
Åsmund Aukrust	Labour Party
Sigbjørn Gjelsvik	Centre Party
Terje Halleland	Progress Party
Mani Hussaini	Labour Party
Mímir Kristjánsson	Red Party
Sveinung Rotevatn	Liberal Party
Per Martin Sandtrøen	Centre Party
Jan Tore Sanner	Conservative Party
Solveig Vitanza	Labour Party

### Switzerland (observer in the MPS)

Thomas Aeschi	Swiss People's Party – Head of the Swiss delegation (CMP Chair)
Hans-Peter Portmann	FDP. The Liberals
Eric Nussbaumer	Social Democratic Party
Benedikt Würth	The Centre
Hannes Germann	Swiss People's Party

### Alternate members

Elisabet Schneider-Schneiter	The Centre
Carlo Sommaruga	Social Democratic Party
Damian Müller	FDP. The Liberals
Nicolas Walder	Green Party
Thomas Matter	Swiss People's Party

## Members of the EFTA Consultative Committee 2023

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### Iceland

Dagný Aradóttir Pind	Federation of State and Municipal Employees (BSRB)
Árni Grétar Finnsson	Confederation of Icelandic Enterprise (SA)
Sigríður Mogensen (Chair)	Federation of Icelandic Industries (SI)
Halldór Oddsson	Icelandic Confederation of Labour (ASÍ)

### Liechtenstein

Brigitte Haas (Bureau Member)	Liechtenstein Chamber of Commerce and Industry (LCCI)
Sigi Langenbahn	Liechtenstein Employees Association

### Norway

Thea Forsberg	Norwegian Association of Local and Regional Authorities (KS)
Lin Andrea Gulbrandsen	Confederation of Vocational Unions (YS)
Kristin Hansen	Confederation of Norwegian Enterprise (NHO)
Jarle Hammerstad	Federation of Norwegian Commercial and Service Enterprises (Virke)
Liz Helgesen	Norwegian Confederation of Unions for Professionals (UNIO)
Kim Sivertsen (1. Vice Chair)	Norwegian Confederation of Trade Unions (LO)

### Switzerland

Jan Atteslander	economiesuisse
Catherine Lance Pasquier	Fédération des Entreprises Romandes Genève (FER Genève)
Henrique Schneider	Swiss Association of Small and Medium-sized Enterprises
Marco Taddei	Swiss Union of Employers
Denis Torche (2. Vice Chair)	Swiss Workers' Federation
Reto Wyss	Swiss Trade Union Confederation (USS)
<b>Permanent observers</b>	
Óttar Freyr Gíslason	Icelandic Association of Local Authorities
Anne Margrethe Lund	BusinessEurope
Elena Crasta	European Trade Union Confederation (ETUC)

# Members of the EEA EFTA Forum of Elected Representatives of Local and Regional Authorities 2023

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## Members of the Forum

### Iceland

Guðveig A. Eyglóardóttir	President of the Regional Municipal Federation of West Iceland
Jóhanna Ösp Einarsdóttir	President of the Regional Municipal Federation of the Westfjords
Guðmundur Haukur Jakobsson	President of the Regional Municipal Federation of North-West Iceland
Regína Ásvaldsdóttir	President of the Association of Municipalities in the Capital Area
Rósa Guðbjartsdóttir	Mayor and Board member of the Icelandic Association of Local Authorities
Þórdís Lóa Þórhallsdóttir	Deputy Mayor, Reykjavík City

### Norway

#### Members

Kari-Anne Opsal	Mayor, Harstad municipality
Petter Sortland	Mayor, Høyanger municipality
Beate Marie Dahl Eide	Mayor, Seljord municipality
Gunhild Berge Stang	Member of the municipal council, Fjaler municipality
Hilde Onarheim	Member of the city council, Bergen municipality
Tom Myrvold	Member of the municipal council, Ørland municipality

#### Substitutes

Ådne Naper	Member of the county council, Vestfold and Telemark county
Svein Larsen	Member of the city council, Sarpsborg
Arne Bergsvåg	Deputy Mayor of Rogaland county
Hallstein Bjercke	Member of the city council, Oslo municipality
Gunn Marit Helgesen	Member of the county council, Vestfold and Telemark county
Tore Opdal Hansen	Member of the county council, Viken county

### Switzerland (Observer)

David Eray	Canton of Jura
Didier Castella	Canton of Fribourg

## Statement on the occasion of the EEA Council meeting on 24 May 2023

Iceland, Liechtenstein and Norway – the EEA EFTA States – reiterate the importance they attach to the Agreement on the European Economic Area. The Agreement establishes a solid basis for a privileged relationship between the EEA EFTA States and the European Union. This is reflected in the good cooperation and coordination of the EEA States on key economic and geopolitical challenges. While formal EEA Council conclusions were regrettably not adopted at today's Council meeting, we underline the good functioning of the EEA Agreement, which was the subject of an in-depth assessment and confirmation at our meeting.

Underlying our cooperation with the EU in the framework of the EEA Agreement is a strong commitment to a Europe built on peace, democracy and the rule of law. These values are threatened by Russia's unlawful invasion of Ukraine. The EEA EFTA States remain the closest of partners of the EU and are aligned with the EU's sanctions against Russia. Such solidarity and mutual efforts are underpinned by the deep economic relations enabled by the EEA Agreement. They are also fundamental to our strong and robust collaboration with the EU.

The EEA Agreement brings together the EEA EFTA States and the EU as equal partners in the Internal Market. As such, it underpins the EEA EFTA States' deep integration into key European value chains by providing legal certainty and a shared regulatory environment. Any solution that is found between the EU and the US in the context of the US Inflation Reduction Act should also take into account the whole of the Internal Market. It is in our common interest that we do not risk breaking up European value chains. It is crucial, for our shared endeavour to make the European economy greener and more digital, that EEA obligations are properly taken into account, including where relevant in trade policy. The EEA EFTA States are looking forward to continuing the close involvement with the EU to further enhance cooperation on these matters. This was also discussed in today's EEA Council meeting.

The EEA EFTA States are determined to work with the EU to further facilitate the green transition and speed up the digitalisation of industry and public services, in line with the objectives of Europe's Digital Decade. We look forward to the continued close cooperation on these and other matters of common interest.

Greater knowledge of the EEA Agreement throughout the EEA and at all levels is in the interest of all Contracting Parties and of the Internal Market's good functioning. The EEA EFTA States underline the need to further strengthen communication efforts about the EEA Agreement and its benefits for citizens and businesses. Next year's 30th anniversary of the EEA Agreement provides an excellent opportunity to work towards these goals. The EEA EFTA States will look forward to celebrating this milestone in cooperation with our EU partners.



## Statement on the occasion of the EEA Council meeting on 20 November 2023

Iceland, Liechtenstein and Norway – the EEA EFTA States – reiterate the importance they attach to the Agreement on the European Economic Area. The EEA Agreement establishes a solid basis for a privileged relationship between the EEA EFTA States and the European Union. This is reflected in the excellent cooperation on key economic and geopolitical challenges.

While formal conclusions were regrettably not adopted today, the EEA EFTA States commend the good functioning of the EEA Agreement, which is as solid and important as ever, as confirmed at today's EEA Council meeting.

EEA cooperation is based on a shared commitment to a Europe of peace, democracy and rule of law. These values are challenged by Russia's unprovoked war of aggression against Ukraine. The EEA EFTA States stand united with the EU in their solidarity with Ukraine and are aligned on sanctions against Russia.

In these challenging times, economic security and sustainable competitiveness are central priorities. As highlighted in today's meeting, the EEA Agreement is an essential cornerstone for building a more resilient and dynamic Internal Market and reinforcing European value chains. The EEA EFTA States are key partners in this regard and will continue to work closely with the EU to advance the green and digital transition.

Preserving the unity and level playing field of the Internal Market is particularly essential at this point in time. In discussing global initiatives such as the US Inflation Reduction Act or in trade policy more generally, it is essential that all Parties take into account that the EEA EFTA States are an integral part of the Internal Market.

Next year marks the 30-year anniversary of the EEA Agreement. In these 30 years, we have jointly built the world's largest Internal Market, creating unprecedented prosperity and freedom for our citizens. The EEA EFTA States look forward to celebrating these achievements with our EU partners. This will also be an opportunity to reflect and plan for the future in an increasingly complex global environment.

# Work Programmes of the EFTA Standing Committee for 2023

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## Priorities of the Norwegian Chair of the EFTA Standing Committee

### First half of 2023

The purpose with this overview is to describe the priorities of the Norwegian Chair of the EFTA Standing Committee during the first half of 2023. The priorities are supplemented by the work programmes of the EFTA Subcommittees and Working Groups.

### EEA outreach

- > Strengthen the knowledge of the EEA Agreement and of the EEA EFTA States as EU's closest partners, using available tools and arenas, including by seeking to emphasise this in relation to the celebration of the 30-year anniversary of the Single Market
- > This will include:
  - > Highlighting that the EEA EFTA States are an integral part of the internal market, and hence of European supply chains, and that EU must take into account its EEA obligations, where relevant, in its trade policy
  - > Continuing to ensure that the EEA EFTA States' participation in relevant EU programmes for the programme period 2021–2027 is based on the rights and obligations that follow from the EEA Agreement

### Decision shaping

- > Identify and provide input to relevant EU legislations and measures in the pre-pipeline and pipeline stages
- > Main focus:
  - > Initiatives stemming from the upcoming Commission Communication marking the 30-year anniversary of the Single Market
  - > The upcoming Commission proposal for reform of the electricity market design
  - > Critical Raw Materials Act
  - > The Commission proposal of a Green Deal Industrial Plan, most notably the Net Zero Industry Act and adaptations to state aid rules
  - > Actively use EEA EFTA Comments as an instrument for influencing the EU decision-making process, in addition to meetings with officials from EU institutions and other written statements

### Incorporation of legal acts

- > Based on the shared responsibility between the Parties of the EEA Agreement, and building on previous initiatives and progress achieved, continue the work to ensure timely incorporation of EEA-relevant EU acts and to reduce the backlog

> This will include:

- > Building on the work that has been carried out to identify possibilities to speed up the processing of outstanding acts within the current incorporation procedures
- > A particular focus on central acts, packages of acts and long-outstanding files, including the Digital Markets Act and the Digital Services Act, EEA-relevant legislation in the Fit for 55 Package, the Digital Finance Package, the Ship Survey file and the EASA file

### Financial Mechanism

- > Continue negotiations with the European Commission regarding a new period of the Financial Mechanism and, in parallel, regarding arrangements for trade in fish and marine products between some of the EEA EFTA States and the EU, with a view of swift conclusion
- > Spread knowledge of the contributions of the EEA EFTA States to reduce economic and social disparities in the EEA, notably by preparing, in cooperation with the Financial Mechanism Office, a specific exhibition on the EEA and Norwegian Financial Mechanisms in the European Parliament

### Synergies between the three EFTA House organisations

- > Building on the work that has already been carried out with a view to enhance further the synergies between the three EFTA House organisations

## Work Programmes of the EFTA Standing Committee for 2023 (continued)

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### Priorities of the Liechtenstein Chair of the EFTA Standing Committee

#### Second half of 2023

The purpose with this overview is to describe the priorities of the Liechtenstein Chair of the EFTA Standing Committee during the second half of 2023. The priorities are supplemented by the work programmes of the EFTA Subcommittees and Working Groups.

#### Introduction

A common understanding of the principles of the EEA is crucial for the good functioning and homogeneity of the Agreement. The Standing Committee of the EFTA States is committed to ensuring efficient coordination between the Parties of the EEA Agreement, adapting to a changing Internal Market and maintaining the level playing field. Against this background, the Liechtenstein Chairmanship will particularly focus on:

#### Incorporation of EEA-relevant legal acts

In line with the objective of homogeneity, strive to ensure the incorporation of EEA-relevant EU legislation into the Agreement as closely as possible to the adoption in the EU. Focus will be placed on backlog reduction ahead of the 30th anniversary of the EEA Agreement. Information sharing and enhanced cooperation and coordination between the EEA EFTA States to identify fields where progress can be made quickly will be key in this effort.

Streamline coordination between the EEA EFTA States with a special focus on new EU internal market files. This will include establishing effective working structures for incoming EU legal acts with distinct horizontal dimensions.

Against this background, initiate:

- > Specific briefings by the EFTA Secretariat, e.g. on the status of old acts from before 2019 in the Standing Committee meetings
- > Informal ad hoc meetings between the Standing Committee and Subcommittees I-V to coordinate the work on key files and assessment of working structures

A particular focus will be put on:

- > The proposal for a Green Deal Industrial Plan
- > The Digital Markets Act
- > The Digital Services Act
- > Green Bonds proposal
- > The MiCA Regulation
- > Review of the European Supervisory Authorities

Seek to reduce the number of JCDs where entry into force is pending due to constitutional requirements where more than six months have passed since adoption.

Identify processes to speed up the incorporation procedures with a special focus on ensuring effective compliance with current procedures and modernising the tools underpinning them.

#### Decision shaping

Identify and provide input to relevant EU legislation and measures in the pre-pipeline and pipeline stages with an emphasis on the European Green Deal, the Commission proposals for a Net Zero Industry Act and a Critical Raw Materials Act and the proposal for reform of the electricity market design.

Issue EEA EFTA Comments in key areas and actively follow up with EU institutions.

#### EEA outreach

Highlight that the EEA EFTA States are an integral part of the Internal Market, European supply chains and the European twin transitions and invite the EU to take its EEA obligations into account also in other relevant areas including its trade policy.

Strengthen the knowledge of the EEA Agreement by:

- > Planning next year's celebrations of the 30-year anniversary of the EEA Agreement, including preparations for high-level events
- > Using EFTA House as a dynamic platform for outreach activities
- > Fostering transparency of EEA processes, including through the regular dialogue with the Advisory Bodies
- > Enhancing productive dialogue on key issues with EU counterparts, including through Joint Subcommittee V

#### Financial Mechanism

Advance negotiations with the European Commission on a new Financial Mechanism, mindful of the parallel process on market access for fish and marine products, with a view to a swift conclusion.

## Meetings organised by the EEA Coordination Division and the Internal Market Division and EU Acts incorporated into the EEA Agreement in 2023

	Number of meetings in 2023	Number of acts incorporated in 2023
EEA Joint Committee	8	624
Standing Committee of the EFTA States	8	-
SUBCOMMITTEES I-IV	8 <sup>1</sup>	-
<b>Meetings under Subcommittee I</b> <a href="#">-&gt; Back to section</a>		
	25	388
<b>Working Groups</b>		
Competition Policy	2 <sup>2</sup>	4
Customs Matters	3	0
Customs Security Measures	0	0
Energy Matters	4	13
Fisheries	0	0
Food Chain <sup>3</sup>	3	195 <sup>4</sup>
Intellectual Property Rights	4	2
Processed Agricultural Products	0	0
Public Procurement	0	0
State Aid	2 <sup>5</sup>	3
Technical Barriers to Trade (TBT)	3	5

1 In November 2009, the Standing Committee approved the practical merger of Subcommittees I, II, III and IV.

2 Including internal working group meetings and ad hoc meetings.

3 Food Chain encompasses veterinary matters, animal feed, phytosanitary matters and foodstuffs.

4 In addition, 87 acts were implemented through the simplified procedure.

5 Including ad hoc meetings.

## Meetings held by the EEA Coordination Division and the Internal Market Division and EU Acts incorporated in 2023 (continued)

	Number of meetings in 2023	Number of acts incorporated in 2023
Expert Groups under TBT		
Agricultural and Forestry Tractors	0	0
Appliances Burning Liquid or Gaseous Fuels	0	0
Chemicals	0	56
Plant Protection Products	0	40
Construction	0	3
Cosmetics	0	4
Electrical Equipment	0	0
Explosives	0	0
Fertilisers	0	12
Machinery	0	2
Marine Equipment	0	1
Maximum Residue Levels (MRLs)	0	3
Measuring Instruments	0	0
Medicinal Products and Medical Devices	1	20
Motor Vehicles	0	11
Personal Protective Equipment	0	0
Pressure Equipment	0	0
Product Safety and Market Surveillance	3 <sup>6</sup>	0
Recreational Crafts	0	0
Telecommunications Equipment	0	1
Tobacco	0	1
Wine and Spirit Drinks	0	12

6 Joint meetings with the Working Group on TBT.

## Meetings held by the EEA Coordination Division and the Internal Market Division and EU Acts incorporated in 2023 (continued)

	Number of meetings in 2023	Number of acts incorporated in 2023
Meetings under Subcommittee II <a href="#">-&gt; Back to section</a>	17	184
Working Groups		
Company Law	1	1
Electronic Communication, Audiovisual Services and Information Society	3	9
Data Protection Expert Group	2	0
Financial Services <sup>7</sup>	8	65
Postal Services	0	0
Transport	3	109
Meetings under Subcommittee III <a href="#">-&gt; Back to section</a>	5	5
Working Groups		
Free Movement of Persons, Employment and Social Policy	1	1
Recognition of Professional Qualifications	1	2
Social Security	3	2

<sup>7</sup> Three Working Group on Financial Services and five regular Task Force meetings

## Meetings held by the EEA Coordination Division and the Internal Market Division and EU Acts incorporated in 2023 (continued)

	Number of meetings in 2023	Number of acts incorporated in 2023
Meetings under Subcommittee IV <a href="#">-&gt; Back to section</a>	26	47
Working Groups		
Budgetary Matters	2	0
Civil Protection	2	0
Consumer Affairs	4	0
Cultural Affairs	1	0
Education, Training and Youth	2	2
Enterprise Policy and Internal Market Affairs	4	0
Environment	2	29
Gender Equality, Anti-Discrimination and Family Policy	2	0
Heads of National Statistical Institutes	1	11
Health and Safety at Work and Labour Law	2	3
Public Health	2	2
Research and Innovation	2	0
SUBCOMMITTEE V <a href="#">-&gt; Back to section</a>	4	0

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